

Received
Oct 7, 2008

**ESSENTIALLY BUILT-OUT AGREEMENT
FOR THE ARROWHEAD DEVELOPMENT OF REGIONAL IMPACT**

This Agreement ("Agreement") is entered into by and between GRENELEFE RESORT, LLC, a Florida limited liability company, its successors in interest, SMOKEY GROVES, LLC, a Florida limited liability company, its successors in interest, GRENELEFE RESORT UTILITY, INC., a Florida corporation, its successors in interest, FELTRIM DEVELOPMENTS US, INC., a Florida corporation, its successors in interest, POLK COUNTY, its successors in interest, and the FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS, and its successors in interest.

WHEREAS, Grenelefe Resort, LLC, Smokey Groves, LLC, and Grenelefe Resort Utility, Inc., are the present owners (hereinafter referred to collectively as the "Present Owners") of the Arrowhead Development of Regional Impact ("Arrowhead DRI"); and

WHEREAS, Feltrim Developments US, Inc., ("Feltrim") has a contract to purchase a substantial portion of the Arrowhead DRI; and

WHEREAS, the Florida Department of Community Affairs ("Department") is the state land planning agency having the power and duty to administer and enforce Chapter 380, *Florida Statutes*, which includes provisions relating to developments of regional impact; and

WHEREAS, Polk County, a political subdivision of the State of Florida, ("Polk County") is the local government responsible for the administration, monitoring and enforcement of the Arrowhead DRI; and

WHEREAS, the Department is authorized, pursuant to Section 380.032(3), *Florida Statutes* (2007), to enter into agreements as may be necessary to effectuate the provisions and purposes of Chapter 380, *Florida Statutes*; and

WHEREAS, the Department, the Present Owners, Feltrim and Polk County are authorized, pursuant to Section 380.06(15)(g)4., *Florida Statutes* (2007), to enter into agreements which determine that a development of regional impact is essentially built-out; and

WHEREAS, the Arrowhead DRI Application for Development Approval was submitted to Polk County, the Central Florida Regional Planning Council and the Division of State Planning on August 14, 1973; and

WHEREAS, Polk County issued a development order approving the Arrowhead DRI on September 18, 1973, and transmitted a copy of the development order to the Division of State Planning on October 17, 1973; and

WHEREAS, the Arrowhead DRI was approved for 1,935 dwelling units, two clubhouses, a conference center, three 18-hole golf courses, a racquet and yacht club including 12-15 tennis courts, stables, and a marina on 1,847 acres; and

WHEREAS, the 1973 Arrowhead DRI development order has not been amended; and

WHEREAS, 1405 dwelling units, the three 18-hole golf courses, the racquet and yacht club, the marina, the clubhouses and the conference center have been constructed within the Arrowhead DRI, with the last development occurring in 1997; and

WHEREAS, the 530 dwelling units that were approved by the 1973 Arrowhead DRI development order but not constructed are less than twenty per cent (20%) of the applicable DRI thresholds, and the Arrowhead DRI is essentially builtout pursuant to section 380.06(15)(g)4., *Florida Statutes* (2007); and

WHEREAS, in the years since 1973, Polk County modified the local development orders which apply to the Arrowhead DRI to reduce the amount and geographic extent of development approval; and

WHEREAS, the presently effective Polk County local development approval is Appendix Section 2.130-E of the Polk County Comprehensive Plan, which approves the Arrowhead DRI under the name of "Grenelefe Resort and Convention Center" for 1359 dwelling units, 54 golf course holes, with "clubhouse/recreation/marina" on 971 acres; and

WHEREAS, within the 971 acres assigned to the Grenelefe Resort and Convention Center DRI pursuant to Section 2.130-E, 1252 dwelling units have been platted and 1211 dwelling units have been constructed; and

WHEREAS, Section 2.130-E of the Polk County Comprehensive Plan provides that, "Grenelefe should be built-out;" and

WHEREAS, the Arrowhead DRI was severely damaged by the hurricanes which struck Florida in 2004 and 2005, the convention center and the yacht club were rendered unusable by the hurricane damage, one of the three golf courses has become unused and overgrown, the Present Owners have not fully renovated the damaged portions of the Arrowhead DRI, and portions thereof are still in need of substantial renovation and improvement; and

WHEREAS, Feltrim proposes to purchase the golf courses, the convention center, and the yacht club, and to renovate or redevelop these facilities with no increase in size; and

WHEREAS, Feltrim also proposes to purchase existing condominium units scattered throughout the developed portion of the Arrowhead DRI, and to renovate the interiors of these existing units with no changes to the exterior of the condominium buildings; and

WHEREAS, the renovation and redevelopment of the golf courses, the convention center, the yacht club, and the existing condominium units is exempt from DRI review pursuant to section 380.06(24)(j), *Florida Statutes* (2007); and

WHEREAS, the Arrowhead DRI development order authorized boating, a yacht club and a marina without specifying a number of marina slips, and Feltrim proposes to replace the existing 14 marina slips with 34 marina slips; and

WHEREAS, marina development is now exempt from DRI review pursuant to section 380.06(24)(k), *Florida Statutes* (2007); and

WHEREAS, Feltrim proposes to develop 1,749 new residential dwelling units and a new hotel with up to 300 rooms and ancillary restaurants and shops in accordance with the Polk County Comprehensive Plan and the Polk County Land Development Code, and to relocate two golf holes, on areas that were not developed under the Arrowhead DRI development order; and

WHEREAS, the renovation and redevelopment of the facilities damaged by the hurricanes of 2004 and 2005 will be a significant benefit to the public; and

WHEREAS, development pursuant to the 1973 Arrowhead DRI development order ceased in 1997, and the new development proposed by Feltrim is less than 100 percent of any applicable DRI guideline and standard, and is not required to undergo DRI review.

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, it is hereby understood and agreed as follows:

1. The parties agree that in accordance with Section 380.06(15)(g)4., *Florida Statutes*, the Arrowhead DRI which ceased development in 1997 is “essentially built-out” because:

A. The project is in compliance with all applicable terms and conditions of the Arrowhead DRI Development Order;

B. All infrastructure and physical improvements required by the Arrowhead DRI Development Order have been completed; and

C. The amount of development remaining to be built is less than twenty percent (20%) of any applicable DRI threshold.

2. The parties further agree that the proposed renovation and redevelopment of the hurricane damaged structures, and the proposed marina development are exempt from the provisions of section 380.06, *Florida Statutes*.

3. The parties further agree that the proposed new development shall be assessed for DRI status on its own merits and will be considered for approval through the procedures specified in the Polk County Comprehensive Plan and the Polk County Land Development Code. The proposed 1,749 new residential dwelling units, the new hotel with up to 300 rooms, ancillary restaurants and shops, and the relocation of two golf holes are less than 100% of any applicable DRI threshold and are not required to undergo DRI review. Section 380.06(2)(d)1.a., *Florida Statutes* (2007). The 530 dwelling units that were approved by the Arrowhead DRI development order, but not constructed, shall no longer be approved and shall not be added to the new development described in this paragraph.

4. After the effective date of this Agreement, the Arrowhead DRI shall no longer be required to file annual reports pursuant to Section 380.06(18), *Florida Statutes*. All future development must be consistent with the County's comprehensive plan and land development regulations. Any future redevelopment proposals shall be assessed for development of regional impact status on their own merits.

5. The Present Owners and Feltrim assert and warrant that all of the representations and statements made as set forth in this Agreement and in materials provided in support of this Agreement are true, accurate, and complete. In the event of any inconsistency between the materials provided and this Agreement, the statements in this Agreement shall control. Based upon such representations and statements, the Department concludes that this Agreement is in the best interests of the State of Florida, is necessary and beneficial to the Department in its role as the state agency with the responsibility to administer and enforce Chapter 380, *Florida Statutes*, and reasonably applies and effectuates the provisions and purposes of Chapter 380, *Florida Statutes*.

6. Nothing in this Agreement shall constitute a waiver by any party of the right to appeal any development order pursuant to Section 380.07, *Florida Statutes*, except as acknowledged herein.

7. This Agreement affects the rights and obligations of the parties and their successors in interest under Chapter 380, *Florida Statutes*. It is not intended to determine or influence the authority or decisions of any other state or local government or agency in issuance of any other permits or approvals which might be required by state law or local ordinance for any development authorized in this Agreement. This Agreement is not intended, and shall not be interpreted, to prohibit the Central Florida Regional Planning Council from commenting upon any regional issue.

8. Any amendment to or modification of this Agreement shall not be effective unless contained in writing signed by the parties.

9. Feltrim shall record a Notice of this Agreement in the Official Records of the Polk County, Florida, which notice and this Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, successors-in-title, and assigns. Feltrim shall provide the Department and Polk County with a copy of the recorded notice within fifteen (15) days of the date of execution of this Agreement.

10. The effective date of this Agreement shall be the date that the last party signs and acknowledges this Agreement, and this Agreement shall be deemed to be executed on that date.

DEPARTMENT OF COMMUNITY AFFAIRS

By: *Charles Gauthier*

STATE OF FLORIDA
COUNTY OF Leon

The foregoing instrument was acknowledged before me this 15th day of October 2008,
by Charles Gauthier as Director, Community Planning of the Department of Community
Affairs, who is personally known to me or has produced _____ as identification.

Beth A. Frost
Notary Public, State of Florida
Beth A. Frost
Print Name



POLK COUNTY, a political subdivision of the
State of Florida

ATTEST: Richard M. Weiss,
Clerk

By: *Samuel Johnson*
Samuel Johnson, Chairman

By: *Freda J. Wade*
Deputy Clerk

Date: 9-10-08 N. 92



Approved as to form and legal sufficiency:

June L. Wilson 9/8/08
County Attorney's Office Date

GRENELEFE RESORT, LLC, a Florida limited liability company, through its Manager,
Central Florida Investments, Inc., a Florida corporation

By: [Signature]
David A. Siegal, President

STATE OF FLORIDA
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 23 day of June 2008,
by David A. Siegal as President of Central Florida Investments, Inc., who is personally known to
me or has produced _____ as identification.

[Signature]
Notary Public, State of Florida

Print Name



SMOKEY GROVES, LLC, a Florida limited liability company, through its Manager, Central
Florida Investments, Inc., a Florida corporation

By: [Signature]
David A. Siegal, President

STATE OF FLORIDA
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 23 day of June 2008,
by David A. Siegal as President of Central Florida Investments, Inc., who is personally known to
me or has produced _____ as identification.

[Signature]
Notary Public, State of Florida

Print Name



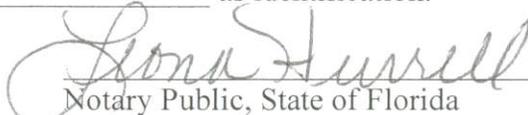
GRENELEFE RESORT UTILITY, INC., a Florida corporation

By: 
David A. Siegel, President

STATE OF FLORIDA
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 23 day of June 2008,
by David A Siegel as President of Grenelefe Resort Utility, Inc., who is
personally known to me or has produced _____ as identification.




Notary Public, State of Florida

Print Name

FELTRIM DEVELOPMENTS US, INC., a Florida corporation

By: _____
Garrett Kenny, President

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 2008,
by Garrett Kenny as President of Feltrim Developments US, Inc., who is personally known to me
or has produced _____ as identification.

Notary Public, State of Florida

Print Name

GRENELEFE RESORT UTILITY, INC., a Florida corporation

By: [Signature]
David A Siegel, President

STATE OF FLORIDA
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 23 day of June 2008,
by David A Siegel as President of Grenelefe Resort Utility, Inc., who is
personally known to me or has produced _____ as identification.



[Signature]
Notary Public, State of Florida

Print Name

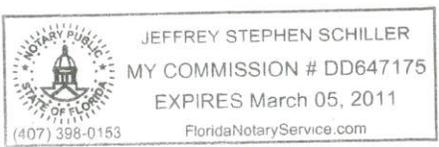
FELTRIM DEVELOPMENTS US, INC., a Florida corporation

By: [Signature]
Garrett Kenny, President

STATE OF FLORIDA
COUNTY OF Polk

The foregoing instrument was acknowledged before me this 20 day of AUGUST 2008,
by Garrett Kenny as President of Feltrim Developments US, Inc., who is personally known to me
or has produced _____ as identification.

[Signature]



Notary Public, State of Florida
[Signature]

Print Name

Grenelefe (PUD73-19)



AERIAL MAP
1973 BOUNDARY

From

IMPERIAL POLK COUNTY
BOARD OF COUNTY COMMISSIONERS
DIVISION OF DEVELOPMENT COORDINATION
George P. Stahlman, Development Coordinator
P. O. Box 60 - Bertow, Florida 32830

PLEASE RETURN THIS
MESSAGE REPLY
TO

No 937

To

Department of Administration
Division of State Planning
725 South Bronough
Tallahassee, Florida 32304
Attn: Earl M. Starnes

DATE
October 17, 1973
SUBJECT
FINAL DEVELOPMENT ORDERS Arrowhead Associates, Inc.

Message

Attached is a copy of the "Development Order" required under Chapter 380.07(2), which is a letter of notification of approval sent to the Developer.

cc: East Central Florida Regional
Planning Council

Reply

George P. Stahlman
Development Coordinator

RECEIVED

DATE

OCT 19 1973

BOARD OF LAND PLANNING

ADDRESSEE - RETURN WHITE COPY

10-100

September 25, 1973

Arrowhead Associates, Inc.
P. O. Box 1295
Haines City, Florida 33844

Attn: George Phelps

Re: Case # PUD-73-19,
Property located 6 miles
southeast of Haines City

Dear Mr. Phelps:

This is to officially notify you of the action taken by the Board of County Commissioners on Tuesday, September 18, 1973, with regard to the above captioned case which was your request for approval of a Planned Unit Development (PUD) in a Rural Conservation (RC) zoning district.

The Board, at the conclusion of a public hearing held after due public notice as required by law, voted 5/0 to grant tentative approval of your proposed Planned Unit Development in a Rural Conservation (RC) zoning district. This in effect, indicates the acceptability of your development concept at this particular location but does not grant construction approval. Final approval for construction may be secured by submitting final construction plans, based on the approved concept, for Board approval. Such final plans can be submitted for the total project at one time, or for such segments of the project as you may determine will best serve your needs. A period of five weeks should be allowed in your timetable for plan review and Board action after final construction plans are received by this office.

Very truly yours,

George P. Stahlman

George P. Stahlman
Development Coordinator

GPS/jc

RECEIVED

cc: Clerks Office

Polk County Health Dept. OCT 19 1973

DIRECTOR'S OFFICE
DIV. OF STATE PLANNING

County Commissioners action of September 18, 1973 as stated herein is certified to be true and correct.

E. D. "ADD" DIXON, Clerk

By *Martha Whitford*
Deputy Clerk

**TABLE 10.1-B-1
GRENELEFE RESORT & CONFERENCE CENTER
EXISTING LAND USES**

EXISTING GRENELEFE DRI

FLUCFCS	LAND USE	ACRES	SITE %	D/U	DENSITY	
					DU/AC NET	GROSS
186	club/rec/marina	28	2	-	-	-
182	golf/open areas	446	37	-	-	-
814	roads	72	6	-	-	-
834	maintenance	24	2	-	-	-
524	lakes	21	2	-	-	-
121	residential-townhomes	68	6	275	4.0	0.2
133	residential-condo's	218	18	874	4.0	0.7
121	residential-duplexes	37	3	92	2.5	0.1
111	residential-S/F det.	57	5	118	2.1	0.1

EXPANSION PARCEL

211	improved pasture	63	5	-	-	-
221	citrus grove	184.6	15	-	-	-
641	freshwater marsh	0.3	0	-	-	-
742	borrow area	0.1	0	-	-	-
TOTAL		1219	100	1359	-	1.1

Source: R| Whidden & Associates, Inc.
Aquatic Symbiotics, Inc.
Florida Land Use Cover and Forms Classification System

C. BRIEFLY DESCRIBE PREVIOUS AND EXISTING ACTIVITIES ON SITE. IDENTIFY ANY CONSTRAINTS OR SPECIAL PLANNING CONSIDERATIONS THAT THESE PREVIOUS ACTIVITIES HAVE WITH RESPECT TO THE PROPOSED DEVELOPMENT.

The existing Grenelefe development is a mixed use residential community. Its 3 golf courses, resort conference center, and other recreational amenities are the centerpiece of the 971 acre community. It is zoned as a major planned unit development in Polk County with buildout being approximately 95% complete for 1359 dwelling units. The project is currently approved for the following uses depicted on Table 10.1-C-1 below.

**TABLE 10.1-C-1
GRENELEFE RESORT & CONFERENCE CENTER
EXISTING DEVELOPMENT APPROVALS**

DESCRIPTION	ACRES	UNITS
RENTAL CONDOMINIUMS	243	780 DU
CONDOMINIUMS	14	94 DU
TOWNHOUSES	42	161 DU
SINGLE FAMILY HOMES	67	118 DU
COUNTRY HOMES	43	92 DU
GOLF AND LAKE VILLAS	38	114 DU
GOLF COURSES	467	54 HOLES
CLUBHOUSE/RECREATION/MARINA	33	N/A
MAINTENANCE AREA	24	N/A
TOTAL (AREA AND DWELLING UNITS):	971 AC	1359 DUS

Sources: R; Whidden & Associates, Inc.
Envisors, Inc.
Grenelefe Resort & Conference Center

Notes:

1. Terminology for residences per Grenelefe Resort & Conference Center
2. Residential uses include acreage for local roads.
3. Golf course includes acreage of lakes and miscellaneous open space.