Term Sheet -- Settlement Agreement between
City of Miami Beach and Clevelander Ocean, LP

Agreement	The parties will enter into a development agreement governed by Florida Statute Sections 163.3220 – 163.3243 and Miami Beach City Code 118-4.
Project	Clevelander Ocean, LP will develop on the sites of the Clevelander (1020 Ocean Drive) and Essex House (1001 Collins Avenue) a mixed use, residential, hotel and restaurant project. A new residential tower will be constructed on the Clevelander and another new residential tower will be constructed on the Essex. The contributing historic improvements on the Clevelander and Essex will be preserved. The Clevelander and Essex developments will be physically connected by an improvement over the Ocean Court Alley starting at the 4th floor level.
Development Parameters	The maximum height of the residential towers will be 12 stories and 150 feet (excluding customary rooftop encroachments). The siting of the new towers will be generally consistent with the massing plan attached hereto. The non-contributing Clevelander annex along the alley will be demolished. The maximum FAR to be added to the Clevelander and Essex in the aggregate will be 3.5. The minimum setback facing Ocean Drive and 10th Street will be 5 feet.
Uses	The Clevelander and Essex residential towers will contain up to 150 dwelling units per acre, which is the maximum density in the city under the code. The Clevelander and Essex historic structures will also contain up to 140 hotel rooms in the aggregate, which matches the current hotel room count. The Clevelander and Essex will each contain a ground floor restaurant, which may contain outdoor seating and background music.
Clevelander Conditional Use Permit (CUP)	The Clevelander will abandon its rights to its outdoor entertainment CUP, but will retain its rights to its neighborhood impact establishment CUP.

Live Local Act	The owners of the Clevelander and Essex will withdraw the site plan application they filed with the City in 2023 under Florida's Live Local Act.
Amendments to Zoning Code and Comprehensive Plan	In order to incentivize the replacement of large, outdoor entertainment venues in MXE with residential uses, the City will amend its zoning code and comprehensive plan as follows: To the extent that a business owner in MXE has an outdoor entertainment CUP with a maximum occupancy of at least 300 persons as shown on its occupancy load certificate and is willing to abandon that outdoor entertainment CUP, the following will apply to new residential uses in MXE developed on unified development sites consisting of at least one property on Ocean Drive and one property on Collins Avenue: (i) the contributing historic structures onsite will be preserved; (ii) the maximum height will be 12 stories and 150 feet (excluding customary rooftop encroachments); (ii) the maximum FAR that can added to the unified site (over the existing FAR for the contributing historic structures) will be 3.5; (iv) the maximum residential density for the unified site will be 150 units per acre; and (v) the minimum required setback from Ocean Drive and 10th Street will be 5 feet.
Bridge Connector	The City will take all steps necessary (including but not limited to amending its code and its comprehensive plan) to allow and approve a bridge or other physical connection between the Clevelander and Essex over the Ocean Court alley.
HPB	City Staff will recommend in favor of a site plan application to the HPB by the Clevelander and Essex to the extent the application is consistent with the project described in this term sheet.

Effectiveness	The settlement contemplated by this agreement will take effect only upon the final non-appealable approval of the zoning code and comprehensive plan amendments, bridge connector approval and HPB application indicated above. If the above items are not approved and non-appealable for any reason by November 1, 2024, this settlement agreement will be null and void. The city agrees to process on a timely basis all applications submitted by Clevelander and/or Essex.
Non-Binding	This term sheet is only for discussion purposes. No party will have any obligations or liability as a result of negotiations, discussions or otherwise relating to this term sheet unless the parties subsequently enter into a binding written settlement agreement. Without limiting the foregoing, Clevelander Ocean, LP reserves all of its rights relating to the Litigation. No rights, arguments or claims of either party are waived as a result of this term sheet.