

The following correspondence was received subsequent to the September 4, 2012, Public Hearing on the Request for Extension for the Colony property located at 1620 Gulf of Mexico Drive.

AQUARIUS

Club

1701 Gulf of Mexico Drive
Longboat Key, FL 34228
941-383-4223 / Fax 941-923-0900

September 6, 2012

Longboat Key Town Commissioner
501 Bay Isles Road
Longboat Key, Fl. 34228-3196

Subject: Colony Tourism-Use Extension

Sent to each Commissioner via email

By way of re-introduction, this correspondence is written by unanimous consent from the 5 members of the Board of Directors of the Aquarius Club Condominium Association, 1701 Gulf of Mexico Drive, Longboat Key. The address is important in this matter in that we occupy the first building to the north of the Colony Beach & Tennis Resort.

We are aware the Commission has delayed a decision on the extension request made by Colony Association and will reconvene the discussion on September 24, 2012, at 9:00am. Please be advised our position that you reject the extension request remains firmly intact and exactly as stated in the correspondence we delivered to you on August 10, 2012. Nothing we heard in the September 4, 2012 Commission meeting provided us any comfort that forward progress has been made towards resolution. In fact the discussion by the Colony Association could easily be classified as more of the same when compared to the presentation they gave the Commission in March of this year. We were especially offended and dismayed when the Colony Association attorney suggested no one connected with the Colony Association was aware just how badly the property had deteriorated. This statement alone is a clear indication that they are not paying attention to their own property to the detriment of its neighbors. The development "plans" they verbalized were clearly cobbled together and not at all well thought out. How can any Commissioner believe this Association is capable of delivering a rehabbed, world-class resort after the past two performances in front of the Commission. We believe it is time to move this process in a different direction and the Commission holds the key. Stop the nonsense. Reject the extension. Enough is enough.

Inasmuch as we at Aquarius Club are a pragmatic lot, we recognize the Commission has a tough decision on its hands, and has clearly indicated it is leaning towards providing an extension. While we disagree with this leaning for all the reasons we have made public to date, we are sympathetic to the property rights of many innocent victims at the Colony. If the Commission is compelled to allow a further extension we strongly request that such extension is conditional on the Colony meeting time based performance milestones such as those suggested by the Longboat Key Building Dept. Our further thoughts in this regard are as follows:

PERFORMANCE MILESTONES

* Within 3 months of any extension the buildings must be made secure as dictated by the Building Department. Consideration has to be given to making sure loose boards, wood slats and roofing shingles are removed or tacked down such that they are not capable of blowing apart and littering nearby property. All entrances and windows must be secured to deter vagrancy. All outside

surfaces need to be kept graffiti free. The Building Department needs to commit to quarterly inspections and reports to ensure the property stays relatively safe through the entirety of the extension period. Any violations need to be corrected by Colony Association within 14 days.

* Landscape maintenance for the whole property needs to be performed every two weeks by a reputable contractor hired by Colony Association for the entirety of the extension period. Paid invoices need to be provided to the Commission as proof this requirement is being met.

* Beach maintenance needs to be performed every two weeks by a reputable contractor hired by Colony Association for the entirety of the extension period. Paid invoices need to be provided to the Commission as proof this requirement is being met.

* Pest and vermin control maintenance needs to be performed as required by a reputable contractor hired by Colony Association for the entirety of the extension period. Paid invoices need to be provided to the Commission as proof this requirement is being met.

* A private security patrol of the entire property needs to be performed by a reputable contractor hired by Colony Association for the entirety of the extension period. The patrol schedule should be randomly implemented and equate to not less than 120 hours per month. Paid invoices need to be provided to the Commission as proof this requirement is being met.

* A viable site plan, which meets all FEMA and local codes, must be delivered to the Commission within 9 months from the beginning of any extension.

* Quarterly reports from the attorneys representing each of the interested parties must be provided to the Commission stating what progress has been made in settlement negotiations during the preceding 90 days.

* All interested parties need to make a public progress presentation to the Commission every six months for the entirety of the extension period.

We believe you should institute a three-strike policy with regards to achievement of these milestones. Each of the first two violations should be met with a significant monetary penalty while the third would trigger an immediate discontinuance of the extension.

We are certain you have extraordinary leverage in this matter and hope you use it to once and for all move this process in a different direction. Providing another unconditional extension would be without question facilitating more of the same.

Should you want to discuss any part of this correspondence, or view the Colony property from our vantage point, please contact the Aquarius Club office at 383-4223.

Respectfully,

Aquarius Club Board of Director Members

Frank Morneau
Bob Boyd
David Marsh
Greg Van Howe
Maryanne Wade



Development & Investment Advisory, Inc.

MEMORANDUM

Re: Colony – Renovation contra’s, no’s, restrictions etc.

Date: September 6, 2012

FEMA allows i.e. to invest **up to 50%** of a building evaluation, minus related land value, into relevant renovation properties.

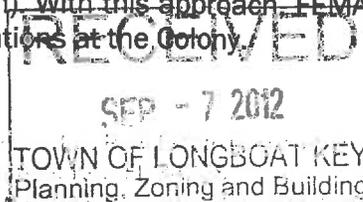
The 237 tourism-units which are being represented by the Colony Association, are on more or less 15 acre land (approx. 653,400 sf). Per condo-documentations, there is an unspecific portion of land allocated to each unit, by the number, each unit has approx. 2,760 sf of allocated land.

The fair market value of 1 acre beach-front property on Longboat Key, zoned ‘tourism’ with its high density/number of allowed tourism-units, is at least \$1 million, therefore, the value of the 15 acre is at least \$15 million, or \$63, 290 allocated land-value per unit.

FEMA provides two general building evaluation scenarios to address a fair market value, 1. Tax assessed value by adding 20% to it (the 20% is being used by the town of Longboat Key, and other towns, cities); 2. Appraisal(s), at the time of renovation, not future value.

1.

The MW Group has all 237 units summarized in a list and included the 2010 tax assessments. The total fair market value as of 2010 (2011, 2012 would be lower), incl. the 20%, is close to \$14 million, which describes the value of the structure/building and the land. By deducting the above \$15 minimum land value of it, there is a **negative FEMA balance of minus \$8 million** (50% of \$14 million, equal to \$7 million, minus the land value of \$15 million). With this approach FEMA would not allow to invest any amount into building renovations at the Colony.



2.

Appraisals, based i.e. on recent sales: Andy Adams and related entities bought in the past months approx. 40 Colony units, average purchase price estimated at \$70,000. Fair market value of all 237 units would be at \$16,600,000, for the buildings/structures and related 15 acre of land. There would be again a **negative FEMA balance of \$6.6 million** (50% of \$16,600,000 equal to \$8,400,000 minus the above land value of \$15 million).

3.

We have been informed as of 8-29-2012 (Colony Association's Board meeting) that Andy Adams renovation proposal requests a unit-owner's financial obligation (equity plus probably a loan provided by Andy Adams) of approx. \$150,000 per unit. Assuming that an amount of \$50,000 (?) per unit-owner would be invested into the infrastructure (roads, utilities etc.), or a total amount of nearly \$12 million, the remaining balance to be paid/financed by the 237 unit-owners would be \$23.5 million to renovate the buildings/structure - more than \$15 million above FEMA's fair market value of the buildings, without land evaluation, of approx. \$7-\$8 million for all buildings (which incl. all 237 units). Please note: FEMA will most likely allocate infrastructure improvements into the entire limitation.

It is understood that FEMA allows to invest any available positive amount per the above formula and evaluations in phases, by investing 50% of the available FEMA value, providing after that a new evaluation/appraisal to invest again up to 50%, and so on.

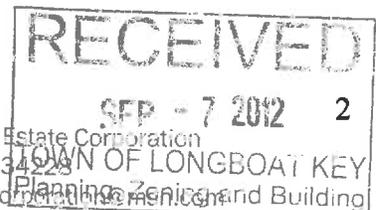
Related to the Colony, there is - as shown above - a negative FEMA balance which wouldn't allow to invest \$1, or with other words: The land value at the Colony is significant higher than the up to 50% of the fair market values of the buildings/structures/improvements.

Other concerns:

> Insurance issues:

All property insurance providers in Florida, including the State provided program, have benchmarked their underwriting against the current code-regulated standards, and resultantly either refuse coverage or impose significant premium increases to reflect the added risk on properties that are not consistent with the prevailing standards.

Their underwriting process also extends to the site, amenities, and service facilities, particularly where occupancies may generate greater threat or hazard, such as kitchens, maintenance, storage, assembly functions, and certain amenities such as pools.



> Hotel-resort operator/manager issues:

On behalf of MW's research, not one (recognized) 4-star or higher rated hotel-resort operator/manager agreed to manage the facility under a renovation proposal. All required a tear down and redevelopment.

> Renovation life-time issues:

Per the President's of the Association communication to unit-owners, and reconfirmed at the recent Board meeting, a renovation of the Colony would most likely resolve an additional usable life-time of +/- 20 years.

Based on the Board's provided renovation budget of +/- \$150,000 per unit, a 20-year renovation-life requires an annual capital expense of approximately \$7,500 simply to make the units only habitable; otherwise there is no value remaining after the 20-year life.

As a result of all the above:

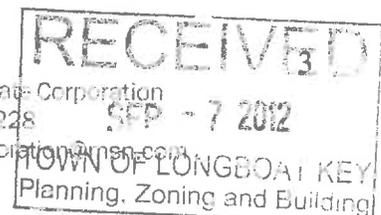
We do not see a viable and allowable renovation project at the Colony.

MW/9-6-2012

Attachments:

1.
Renovation issues (regulatory and costs) described by MW's architects Fugleberg Koch, Winter Park, FL
2.
Renovation/FEMA legal issues described by the law firm Williams Parker, attorney Charles Bailey, III. This memorandum had been sent to all Colony unit-owners by another proponent who is no longer involved.

MW Development & Investment Advisory, Inc. - Lic. Real Estate Corporation
■ 2000 Harbourside Dr ■ Longboat Key, FL 34228
Phone: 941-240-1622 ■ Fax 775-262-6459 ■ e-mail: mwcorporation@msn.com



An Initial Review of
Regulatory and Cost issues related to a considered renovation
of
The Colony Beach and Tennis Resort, Longboat Key, FL

Robert Koch, AIA
Fugleberg Koch – Winter Park, FL
September 6, 2012

The regulatory environment has heavily increased in standard and policing since the original construction took place. Modest renovations are often allowed when considered “cosmetic” and less than regulated percentages on value proportioned against the value of the basic structures to be renovated. Relatively small thresholds of value (which can be calculated on an aggregated basis over time) trigger a mandate for full code compliance on the balance of structures seeking upgrades.

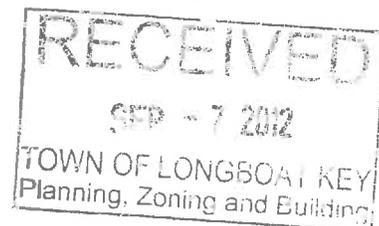
Many regulatory standards do not carry any “grandfather” exclusion. Fire protection systems, accessibility and anti-discriminatory mandates, and selected life safety standards must be incorporated within a defined period when such regulations are put in place or measurably increased.

A quick review of the property suggests many of these standards are in severe non-compliance. It also suggests any meaningful attempt to refresh, restore, or remodel any single part of a structure would create a “domino effect” prompting mandates to overhaul and update most if not all of the code deficiencies observed.

Short term occupancy is also regulated by operating license through the Hotel and Restaurant Commission of the State of Florida. Licenses awarded for accommodations as well as food and beverage services are renewed annually.

Properties thus are subject to the imposition of current codes as a condition of license renewal. This effectively also can independently challenge “grandfathered” exclusions by separate judgment of the authorities regulating license renewal.

What follows is a brief overview of some of the key areas of regulatory concern:



- Storm water design standards were non-existent at the time the property was initially developed. A lack of storm collection and flood control has impacts on environmental concerns, erosion control, property maintenance, and guest comfort at times.
- Below the surface, buried infrastructural systems providing potable water, sewer, electric, phone, cable TV, and interior communications/security have in many instances been installed under code standards that have since expired.
 - Prevailing standards for life safety will impose fire sprinklers and resulting increase capacities in fire flows on potable water service,
 - Emergency power sources and greater dependence upon electric services will outstrip current service standards, and
 - An increase on communications, security, and entertainment demands may render low voltage distribution systems in current use near obsolete.
- The oldest building fabrications were built devoid of any protection from natural events that frequent the Florida coastline. Gulf surge, flood elevations, and wind design standards currently in place demand stronger, more resistive and safer settings. Properties that fall short of these standards carry extra-ordinary burdens of higher insurance premiums, and the threat of reconstruction prohibition should severe damage ever occur.

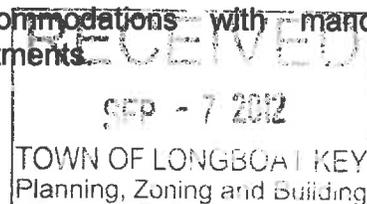
While history has suggested the structural integrity of existing building have served the test of time, the probability of future major damage grows as the aging process continues.

- The Federal government saw fit to mandate under the Americans with Disability Act (ADA) criteria to eliminate discrimination in the workplace. Workers and guests alike in short term rental properties become subject to these standards. No exceptions are permitted and an obligated time schedules to bring non-compliant properties into full compliance is part of this Federal statute.

ALL COMPONENTS OF THE CAMPUS, FROM SITE PLAN AND AMENITY TO INDIVIDUAL UNITS AND BACK OF HOUSE SERVICE AREAS ARE GOVERNED BY THIS FEDERAL REGULATION.

As a minimum this will impose:

- Elevators within all buildings to all levels that do not have flush grade level access
- Fully equipped accessible accommodations with mandated clearances, equipment, and appointments



- Workplace standards in all service areas that meet accessible standards and dimensionally adequate clearances.
- Public facilities that provide universal access to all site and building features including pools, raised platforms or terraces, sidewalks, parking, and even tennis court amenities.
- Operating standards that eliminate discrimination in hiring and guest relations at every level

A review of the existing one and two story buildings suggests that ADA compliance is meaningfully deficient and major adjustments to buildings will be needed with (or without) any substantive renovation program. A full ADA audit is recommended.

- The federal government has also imposed an independent accessibility mandate upon dwellings under the purview of the Federal Fair Housing Act (FFHA). Holiday rental dwellings live in both federally regulated domains of ADA and FFHA. FFHA extends the accessibility test to require that all units on an accessible path (in elevator served buildings that will include every dwelling) must all meet internal clearances (even between furnishings), and provide adaptable mandates for individuals impaired by mobility, sound, and vision limitations.

Here again, an initial review of the existing accommodations in all buildings suggest FFHA compliance is severely compromised. By select examples:

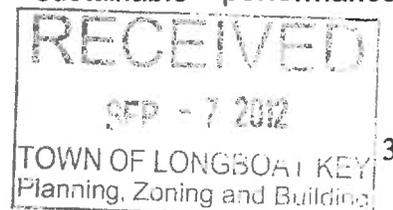
- Many internal doors, halls, bathrooms, and kitchen areas are short of minimal clearances.
- Hardware for doors, cabinets and fixtures are non-compliant.
- Outlet and switch placements are non-compliant.
- Provisions for deaf and blind occupants could not be found.

A full FFHA audit is recommended.

- In the past decade, the State of Florida has implemented a state wide building code derivative of the International Building Code (IBC), and adapted it annually in the interim to continuously refine standards dealing with emerging building liabilities that have resulted from catastrophic events, court rulings, and final adjudications.

In addition to interpreting and incorporating standards imposed by ADA and FFHA regulations, current State codes address regulations that also consider:

- Energy efficiency, insulation, and sustainable performance measures



- Moisture management, mold and mildew controls
- Structural standards of engineered and elevated performance (hurricane design loads) together with construction inspections by third party engineers for buildings over three levels.
- Fire protection systems, building exit assemblies of greater size, more graduated and comfortable tread/riser ratios, and building assemblies of materially higher fire resistive ratings.
- Sound management standards between units, exit assemblies, and selective outside sound sources.

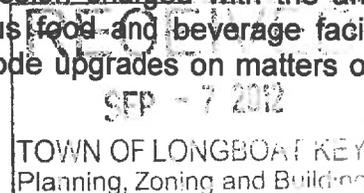
All property insurance providers in Florida, including the State provided program, have benchmarked their underwriting against the current code-regulated standards, and resultantly either refuse coverage or impose significant premium increases to reflect the added risk on properties that are not consistent with the prevailing standards.

Their underwriting process also extends to the site, amenities, and service facilities, particularly where occupancies may generate greater threat or hazard, such as kitchens, maintenance, storage, assembly functions, and certain amenities such as pools.

A full code compliance audit is recommended and coordination with property and liability insurance carriers is encouraged to insure both manageable costs and insurability standards can be readily met.

As described, on the subject parcel, renovation of existing structures is governed by numerous code and regulatory authorities, i.e.:

- Within certain setback limits on the site and related to finish floor conditions throughout the site, standards imposed by FEMA come into play.
- Unrelated to the FEMA controls, the local planning and land use authority may have overlapping requirements unknown to this report.
- Additively, the Florida State Building sets thresholds for complete code compliance for overall renovation and incrementally for each major sector of every structure to be renovated such as structural, mechanical, electrical, and accessibility.
- The mandates of the Federal Fair Housing Act (FFHA) and Americans with Disability Act (ADA) also have strict requirements for current code compliance at any time renovations are undertaken, with full code compliance projected over managed time periods by the owners of applicable properties.
- The Florida Hotel and Restaurant Commission charged with the annual licensing of transient accommodations plus food and beverage facilities independently has mandates for current code upgrades on matters of life



safety and accessibility that are exclusive of independent renovation intentions and obligated for implementation within approved time periods to insure license renewal.

In more detail consider the following:

The FEMA limitation is calculated as the value of the physical structure at the time of the renovation (exclusive of the land value which is significantly higher than the buildings value as described).

The 50% renovation limit (and it reads "up to 50%") thus is measured as a proportion of the current value of a building (summarized as the unit-values within the building) alone irrespective of the land.

Independent of the FEMA line limitation, the building code establishes a standard that requires full code compliance to any portion of the renovation when the price of the renovation in that portion exceeds 25% to 40% of the value of the existing structure; or when overall renovation exceeds 30% of the value of the existing structure (Florida IBC – Existing Building, Sections 402 to 405).

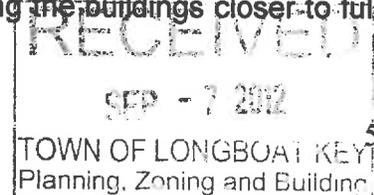
Each incremental code area such as mechanical, electrical, fire protection, and structural will require improvements with any renovation. The 30% overall building code limit at a \$70K per unit example now becomes triggered by \$21K. Potentially any one incremental sector so triggered by its independent limits could become a significant part of that capital limitation.

Some improvements in our opinion are not exempt from code updates as a result of the short term occupancy application intended for all units (less than 30 days). Requirements for ADA (Americans with Disability Act), life safety (exit, fire rated assembly, and fire protection and detection systems) have routinely been obligated in compliance with current codes by the licensing agency, Florida Hotel and Restaurant Commission, (which is required to inspect properties annually for full code compliance).

Limited periods are sometimes prescribed to bring non-compliance into full compliance. By example, when fire protection (sprinklers) were mandated in all short term occupancies of existing accommodations, they were given up to ten years to bring the property into full compliance on this item.

That compliance mandate further required that the system be of a commercial standard (NFPA 13) and not a residential standard (NFPA 13r) that might be applied to conventional condominiums built as primary residences and not as transient occupancy units.

ADA mandates in the federal code require that for any renovation, a minimum of 10% of the renovation budget must be applied to bring the buildings closer to full



compliance with the law. In addition, a long term program is also obligated on commercial properties (which by "use", governs this property) that assures full compliance over a time line identified and made a part of the operating objective of the facility. (It is unknown if such a compliance plan was prepared and adopted.)

Normal wear and tear (painting, reroofing, re-caulking, HVAC unit replacements from age, façade replacement as needed and other routine items) are all a part of the total cost of renovation to be incurred.

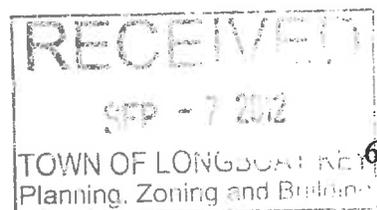
By all of the percentage measured milestones, these routine investments are not excluded from the gross maximum limit that triggers control of or implementation of full compliance.

The building code regulation further states that segmented improvement values must be aggregated over time such that whenever renovation expenses trigger the 30% code threshold, full compliance must then be undertaken.

Finally, grandfathered acceptance, when allowed, is usually allocated to properties and structures when ongoing operations are maintained. The interruption of use often invalidates the grandfathered acceptance when it exceeds 6 months.

Recognizing that application of any investment would be made on a building by building basis, for purposes of additional clarity, we have extrapolated potential costs on a unit basis. On an individual unit, full code compliance, which could be triggered by any combination of two or more of the listed requirements, would be facing **minimum** investment mandates such as:

- Elevator service to all floors of multi level buildings and ramp access to lowest levels above grade \$80K per building (\$10K per unit assuming i.e. 8 units per building)
- Fire protection systems (NFPA 13 regulated standard) \$3.50/sf \$3.5K per unit
- Structural wind and surge protection (likely prohibitive to fully comply) \$8/sf \$8K per unit
- Window replacement for Wind loading standards \$5K per unit
- HVAC energy code compliance \$6.5K per unit
- Electrical service load needs and distribution system upgrades \$2.5K per unit
- Internal accessibility mandates (accessible kitchens, restrooms and internal door and hardware needs) \$4.5K per unit



Independently:

- Addressing cosmetic and component upgrades of the structure (not including FF&E) \$15K per unit minimum
- New kitchen cabinetry and countertops
- New flooring
- Painting
- Potential removal of hazardous materials that may exist (lead paint, asbestos in ceiling finishes and flooring, etc)
- Mildew and mold mitigation resulting from vacancy and poor property care.

At very least this suggests a minimal investment per unit of \$56K per unit: Well over all projected cost thresholds, which show a negative balance as described herein. Therefore, even a phased renovation program would not be doable.

Finally all common areas, site improvements, site infrastructure and amenity upgrades can be allocated to buildings (the sum of units) on a prorated basis.

While a detailed review of every unit and every structure was not undertaken, this projection of costs has been based upon a very understated expectation of what the actual costs could be.

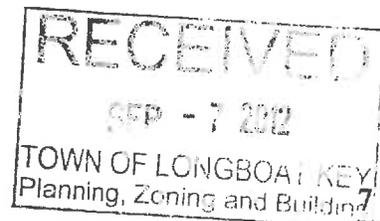
As a result, I find the compliance mandates of FEMA on the buildings governed by their jurisdiction; building code mandates governed by the Florida Building code relative to renovation or repairs; life safety codes governed by Florida H&R Commission, and Federal Fair Housing and ADA accessibility compliance mandates on units, buildings, grounds, and all common/service areas together would measurably overwhelm the maximum cost thresholds as listed.

While some regulatory negotiations might offer limited and/or phased relief, it is highly unlikely the conditions of this property will earn significant empathy or time to comply considerations, particularly since operation had been abandoned for a significant period of time.

Robert A. Koch, AIA

FUGLEBERG KOCH, PLLC. 9-6-2012

2555 Temple Trail . Winter Park, FL 32789 . Tel: 407-629-0595 . Fax: 407-628-1471 . AA26002103



MEMORANDUM

TO: New Colony, LLC
FROM: Charles D. Bailey, III
DATE: May 11, 2011
RE: The Colony Beach and Tennis Resort;
FEMA Regulations;
Impact on Potential Renovation/Rehabilitation of Units

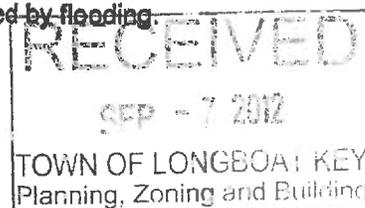
The Colony Beach and Tennis Resort ("the Colony") is within the Town of Longboat Key ("the Town") on the gulfside of Gulf of Mexico Drive, located at 1620 Gulf of Mexico Drive. The Colony is comprised of multiple buildings which, collectively, contain 237 units, in addition to other accessory resort uses.

The density and structures within the Colony are deemed legally nonconforming under the Town Zoning Code, although the Colony has not been actively used or occupied since August 15, 2010. Under the pertinent provisions of the Town Zoning Code, the right to the nonconforming density and use of the structures is deemed abandoned and terminated after 12 months of nonuse, which 12-month period was set to expire August 15, 2011.

Last week, however, the Town Commission approved an extension of the abandonment period, allowing the Colony to be redeveloped and the use recommenced if achieved by December 31, 2011. Consistent with this, the Colony Beach and Tennis Club Association membership is considering how the Colony might best be redeveloped.

One significant challenge associated with redeveloping the Colony is regulatory in nature; specifically, the flood plain management requirements of the Federal Emergency Management Agency ("FEMA"). According to the Town Planning, Building and Zoning Department, the Colony lies within an area of special flood hazard identified on the Flood Insurance Rate Map ("the FIRM") issued by FEMA. The FIRM also delineates the specific risk premium zones the Colony lies within which, according to the Town, are Zones V-17 and A-13. These zones require the lowest habitable floors of all "new construction" or "substantial improvements" to existing structures to be elevated to the required base flood elevations. The Town has adopted these requirements in Chapter 154, *Town of Longboat Key Land Development Code* ("the FEMA Regulations").

The stated objectives of the FEMA Regulations is to protect human life and property; minimize the expenditure of public money associated with dealing with emergencies and, the business interruption associated with flooding; and to maintain a stable tax base by providing for sound development within flood-prone areas in order to minimize flood damage and blight caused by flooding.



New Colony, LLC
May 11, 2011
Page 2

Additionally, and perhaps most importantly, the Town is required to adopt and strictly enforce these FEMA Regulations in order for the community to be eligible to participate in the National Flood Insurance Program ("the NFIP") so that its residents are able to purchase Federal flood insurance. If a community does not participate in the NFIP, Federal flood insurance will be unavailable to anyone owning property within the Town.

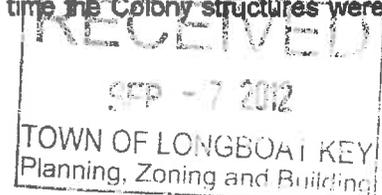
A project subject to the FEMA Regulations involving rehabilitating existing structures often presents certain challenges that do not exist with new construction. When dealing with existing structures located within a FEMA Zone, any improvements or modifications to such structure which constitute a "substantial improvement" must comply with the minimum floor elevation requirements applicable to that Zone. A "substantial improvement" is defined by Section 154.03 of the FEMA Regulations, as: "[A]ny reconstruction, rehabilitation, addition, or other improvement of a structure, the cumulative cost of which equals or exceeds 50 percent of the market value of the structure before the 'start of construction' of the improvement." This is often commonly referred to as "the 50% Rule."

In understanding the application of the 50% Rule, it is important to understand that the market value takes into account just the value of the structure; the value of the land is given no consideration. For the purpose of determining whether an improvement to an existing structure is a substantial improvement, Section 154.03 of the FEMA Regulations provides that "market value" of the structure is established by the property owner through one of the following: an independent certified appraisal; actual cash value (replacement cost depreciated for age and quality of construction); or the adjusted tax-assessed value.

Thus, given the formula of the 50% Rule, it necessarily follows that the lower the market value of the structure and the greater the cost of the improvements to the structure, the more difficult it is for a project to avoid being deemed a substantial improvement and having to fully comply with the FEMA Regulations. By way of example, if a structure has a market value of \$30,000, the improvements to that structure may not exceed \$15,000. If the improvement cost is \$15,001 or more, the project must comply with the FEMA Regulations' minimum elevation requirements.

I would note that establishing market value of the structure can be greatly complicated and significantly more complex when structures, such as most of those within the Colony, contain multiple dwelling units which are proposed for improvement. And, the fact that many of the Colony's structures seem to be in poor condition would also likely reduce their market value and thus reduce the amount that can be spent on any attempted rehabilitation project before it becomes a substantial improvement requiring full compliance with the FEMA Regulations.

Additionally, one factor which impacts the cost of the improvements, and thus increases the likelihood that a project will constitute a substantial improvement, is that such improvements must comply with the 2007 Florida Building Code, which is currently in effect within the Town. The Florida Building Code has evolved over the last couple of decades as we have experienced storm events such as Hurricane Andrew and the active 2004 hurricane season. One significant change to the Florida Building Code over that time has been the changes that have made the wind load requirements more stringent to improve structures' hurricane resistance. The current code mandates many new requirements be met which were not taken into account by governmental authorities at the time the Colony structures were



built. As a result, replacing everything, from windows to roof systems, can be more expensive and serve to increase the overall improvement cost, thereby making it more difficult to keep the improvement costs under 50%.

Often, the practical effect of this standard is that if modifications needed to make a structure safe represent a substantial improvement, they cannot legally be made; instead, the only feasible option a property owner may have is to demolish the structure and replace it with new construction which complies with the FEMA Regulations' minimum floor elevation requirements and other applicable standards.

While the FEMA Regulations do contain a procedure by which a property owner may request a variance to allow substantial improvements to be made below minimum floor elevation requirements, the standards are very strict and can be difficult to meet. The variance criteria are contained in Section 154.19(D), *Town of Longboat Key Land Development Code*, and provide as follows:

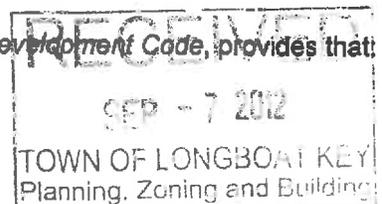
(D) Conditions for variances.

- (1) Variances shall only be issued when there is:
 - (a) A showing of good and sufficient cause;
 - (b) A determination that failure to grant the variance would result in exceptional hardship; and
 - (c) A determination that the granting of a variance will not result in increased flood heights, additional threats to public expense, create nuisance, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.
- (2) Variances shall only be issued upon a determination that the variance is the minimum necessary deviation from the requirements of [the FEMA Regulations].

The *Substantial Improvement/Substantial Damage Desk Reference (FEMA P-758; May 2010)* published by FEMA provides examples of grounds which do not justify the granting of a variance, including:

- A variance requested because achieving compliance with FEMA Regulations is too costly. To amplify this, Florida courts have opined that economic infeasibility or hardship alone does not create a hardship sufficient to warrant the granting of a variance. *Town of Ponce Inlet v. Rancourt*, 627 So. 2d 586 (Fla. 5th DCA 1993);
- Without a variance, property owner would have inconvenient access;
- Without a variance, property owner with physical limitations would have difficult access;
- The owner does not plan to get flood insurance and thus does not wish to comply with FEMA Regulations' minimum floor elevation requirements;
- Without a variance the structure will not be able to reflect certain desired architectural characteristics.

Additionally, Section 154.19(D)(4), *Town of Longboat Key Land Development Code*, provides that:

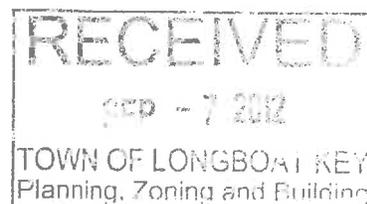


New Colony, LLC
May 11, 2011
Page 4

The [Town's] floodplain administrator shall maintain the records of all variance actions, including justification for their issuance or denial, and report such variances in the community's NFIP biennial report or upon request to FEMA and the State of Florida, Department of Community Affairs, NFIP Coordinating Office.

The purpose of this reporting requirement is to allow FEMA and the State to evaluate whether the Town is effectively administering the FEMA Regulations. If there is a concern that a community participating in the NFIP is granting variances with such regularity that it reflects a pattern of circumventing the FEMA Regulations, this could have the effect of jeopardizing the community's continued participation in the NFIP. Thus, this is a factor that the Town must carefully consider and guard against.

In closing, the application of the FEMA Regulations, in combination with the Florida Building Code, would present several substantial challenges to an attempted comprehensive redevelopment of the Colony based upon merely restoring or rehabilitating the existing structures. While the FEMA Regulations would, likewise, apply to a redevelopment plan involving demolishing the existing structures and replacing them with new construction, such a project would not be hindered by the constraints of the 50% Rule and thus would likely allow greater flexibility with regard to redeveloping the Colony as a quality resort use.



Trish Granger

From: Jay R. Yablon [jyablon@nycap.rr.com]
Sent: Tuesday, September 04, 2012 10:17 AM
To: Carol Rabin
Cc: James L. Brown; Terry Gans; Lynn Larson; Patricia Zunz
Subject: Re: The Colony Beach and Tennis Resort

Thanks Carol and Shelly! Jay

PRIVILEGED AND CONFIDENTIAL

Law Office of Jay R. Yablon
910 Northumberland Drive
Schenectady, New York 12309
Phone/Fax: 518-377-6737
Email: jyablon@nycap.rr.com
Sent from my iPhone

On Sep 4, 2012, at 10:06 AM, Carol Rabin <carolrabin@hotmail.com> wrote:

- > Dear Madames and Sirs,
- > We have been enjoying our vacations in the Colony Beach and Tennis Resort since 1977.
- > Our children grew and thrived on the air, food, tennis programs, camps
- > ,swimming and later on golf and most of all the restaurants in St Armands and surrounding areas, shopping in all the shops, and most of all the friendly atmosphere presented by most of the folk living in the area.
- > We have been homeowners of two units at the Colony Beach and Tennis Resort and look forward to returning, to the Colony in its full glory.
- > Please consider the love and caring that all the folks have for this little piece of Paradise when considering how to proceed with our beloved Colony!
- > Thank you for your patience and fairness,
- > Carol Rabin Sheldon Rabin and family

Trish Granger

From: JFleetwood@aol.com
Sent: Tuesday, September 04, 2012 8:56 AM
To: Blakefleet@aol.com
Subject: Don't Bulldoze My Home.... Longboat Key News 8/3112

Friday, August 31st, 2012 | Posted by [Longboat Key News](#)

Don't bulldoze my home

BLAKE FLEETWOOD

Guest Columnist

opinion@lbknews.com



There are some people in this town who want to bulldoze the 237 condos at the Colony Beach and Tennis Club.

Georgie McFarland commented in the *Longboat Key News*, "Most of the Colony should be bulldozed immediately."

People are also understandably tired of the legal fights and the loss of tax revenue — real estate taxes, tourism taxes and sales taxes. Some of our neighbors have jumped into the fray, charging that the property is run down.

The truth is they are all right.

But bulldozing our homes is not the answer. It will lead to years, if not decades, of legal wrangling between all parties involved. We will end up legally stinging each other to death like scorpions in a bottle.

If we level the Colony, this prime gulf-front land will remain vacant and run down for years to come. The Colony will become a ghost town, a once vibrant community reduced to tumbleweeds blowing in the wind among the empty buildings.

The thousands of wealthy visitors and tennis buffs, who used to visit the town and spend their money with such abandonment, won't be coming to the Colony anymore. They will go to St. Barts or Naples or another prime vacation spot. Real estate tax revenue to the town will drop to a fraction of what it once was. Tourism taxes will be non-existent, and restaurants and shops will suffer.

In this scenario, nobody wins.

Murf Klauber deserves a debt of gratitude for the marvelous and wonderful resort he created and nurtured for 50 years.

When Murf started selling people on Longboat Key and Sarasota 50 years ago, there was nothing here. He was the first. He was selling a dream. Since then, more than a million people have passed through the Colony in the last 30 years. Many have gone on to buy houses and condos on other parts of the island.

Political figures and celebrities have come to the Colony to relax and rejuvenate on our glorious beach. Our guest list has been diverse, including Jimmy Carter, Dustin Hoffman, Bud Collins, Jack Hanna, Al Gore and countless others. George W. Bush was staying here with his brother Jeb when he learned of the attack on 9/11.

Murf pioneered the concept of sports tourism when he made tennis a central focus, attracting the likes of Pete Sampras, Monica Seles and champion tennis coach Nick Bollettieri. Murf's matchmaking tennis program propelled the Colony to number one rank as a resort in Tennis Magazine — for eight years in a row!

The Colony was and still could be a powerful gateway to the entire LBK community. What we have is not just any cookie cutter hotel; it is a unique and wonderful place in a country that is losing its special paces. Under current FEMA zoning rules, it could never be rebuilt from scratch.

Tearing down the Colony would destroy a national treasure, like bulldozing The Plaza Hotel in Manhattan, the Del Coronado in San Diego, or the Fontainebleau in Miami.

I book thousands of people in exclusive resorts and hotels around the world, and historic hotels have a special appeal. Sophisticated casual, beach chic — whatever you call it, it's what people want. People don't want high-rise slabs, when they can have a beautiful campus-like setting, steps from the beach.

What can be preserved at the Colony should be and reopened as soon as possible. And what can't be restored should be quickly rebuilt. This makes sense economically, emotionally and legally.

This week, the board came to an agreement with Andy Adams — owner of 51 units — and Coral Hospitality to restore our historic resort town back to the condition it was in 20 years ago. They are looking to recreate the Four Star Resort that belongs on this landmark site.

Andy has a tremendous stake in the Colony. He wants what we want and he is willing to put up the money, along with the owners, to make it happen. Andy wants to get to work as soon as possible, with the goal of opening some units before the winter season.

This will start with a thorough cleanup and landscaping of the grounds starting this Saturday. The Colony Board already committed \$35,000 to this effort.

No one can tell you, at this time, what the future will bring in terms of legal actions, but, for now, we are in control of our destiny and our units. We must be prepared to seize the opportunities as they present themselves over the next few weeks and months. The best way to make a deal for the missing three acres is to start fixing up what we have. There is no time to waste, as our condos slide into disrepair, neighbors complain and we get no use out of them.

If we start now — and the town can give us an extension on the grandfathered zoning — we can make this part of historic old Florida magnificent again.

Give us a chance to make our dream a reality.

Blake Fleetwood, a Colony condo owner, is a former reporter for the New York Times who has written for New York Magazine, the Washington Monthly and the New York Daily News. He also owns a travel agency. He fell in love with the Colony 15 years ago when he first came with his wife and two sons and hopes to retire on Longboat Key.

Tags: [Al Gore](#), [Blake Fleetwood](#), [Bud Collins](#), [Colony](#), [Colony Beach & Tennis Resort](#), [Dustin Hoffman](#), [Fontainebleau](#), [Jack Hanna](#), [Jimmy Carter](#), [Longboat Key](#), [Murf Klauber](#), [The Plaza Hotel](#)

Tell us what you think. Just click here.

Longboat Key News

Trish Granger

From: Sands9194@aol.com
Sent: Tuesday, September 04, 2012 10:25 AM
To: James L. Brown; Terry Gans; Lynn Larson; Patricia Zunz
Subject: (no subject)

I have not been able to use my unit the last few years and still I HAVE PAID TAXES AND maintenance NOW I may lose my investment due to the cut back on units recommended by the board, this has been a nightmare for all of us and now to be penalize seems unfair. Unit #237 Muriel Friedman

Trish Granger

From: Carol Rabin [carolrabin@hotmail.com]
Sent: Tuesday, September 04, 2012 10:06 AM
To: James L. Brown; Terry Gans; Lynn Larson; Patricia Zunz
Cc: Jay R. Yablon
Subject: The Colony Beach and Tennis Resort

Dear Madames and Sirs,

We have been enjoying our vacations in the Colony Beach and Tennis Resort since 1977.

Our children grew and thrived on the air, food, tennis programs, camps ,swimming and later on golf and most of all the restaurants in St Armands and surrounding areas, shopping in all the shops, and most of all the friendly atmosphere presented by most of the folk living in the area.

We have been homeowners of two units at the Colony Beach and Tennis Resort and look forward to returning, to the Colony in its full glory.

Please consider the love and caring that all the folks have for this little piece of Paradise when considering how to proceed with our beloved Colony!

Thank you for your patience and fairness,

Carol Rabin Sheldon Rabin and family

Trish Granger

From: Dave Bullock
Sent: Tuesday, September 04, 2012 9:42 AM
To: Jack Duncan
Subject: FW: Thanks for meeting with us. It was a breath of fresh air.
Attachments: The Colony - Bldg, Fire, Utilities, Karins, IBA.pdf

This was sent May 8, 2012

From: Dave Bullock
Sent: Tuesday, May 08, 2012 11:36 AM
To: 'JFleetwood@aol.com'
Cc: aadams@mgmtsource.net; rbkreindler@gmail.com; elsiekearns@yahoo.com; 'Jay R. Yablon'; David Persson; Steve Schield; Wayne R. Thorne; Paul Dezzi; Lou Gagliardi; Juan Florensa; Anne Ross
Subject: RE: Thanks for meeting with us. It was a breath of fresh air.

In response to your request for information related to Code issues that need to be resolved in order to re-occupy units at The Colony I am attaching a document that describes (to the extent of current Town knowledge) the Code related issues. Please note this information is the result of inspection and information gained primarily in 2009, 2010, and 2011. It may or may not be comprehensive or current. Only on site inspections of any specific unit or building will provide current information. This document is organized in the following manner: Building Code, Fire Code, Utilities, and two engineering reports that were provided to the Town by professional engineers or consultants that contain relevant information.

Please contact me if there are any questions.

From: JFleetwood@aol.com [<mailto:JFleetwood@aol.com>]
Sent: Wednesday, April 25, 2012 6:38 PM
To: Dave Bullock
Cc: aadams@mgmtsource.net; rbkreindler@gmail.com; elsiekearns@yahoo.com
Subject: Thanks for meeting with us. It was a breath of fresh air.

Dear Mr. Bullock

We owners especially admire your willingness to find out what we need to do to get back in our condos.

I appreciate your situation and feel confident that you appreciate ours.

I trust we will be able to get some detailed and specific information in the next couple of days about what we need to occupy specific units.

I am specifically interested in the three Beach units and what violations are on record, and what the back water bills are for those units.

I am trying to come up with various reports we have on the sewer problems and what to do about them.

We are anxious to proceed with making repairs on our units, even if they are not mandated by the city.

We also want to clean up the property and get water to the trees so that they do not die of neglect.

Thanks for any help you can give us.

Blake

Blake Fleetwood
phone 212 201 1328
nite 212 595 8537
cell 917 514 6958: reach him at jfleetwood@aol.com.

Blake Fleetwood was formerly on the staff of The New York Times and has written for The New York Times Magazine, New York Magazine, The New York Daily News, the Wall Street Journal, USA Today, the Village Voice, Atlantic and the Washington Monthly on a number of issues. Read more at: <http://www.huffingtonpost.com/blake-fleetwood>

Trish Granger

From: Jack Duncan
Sent: Tuesday, September 04, 2012 6:28 PM
To: joshuabenaim@gmail.com
Cc: Town Clerk
Subject: Re:

Mr. Benaim

Sorry, I am booked and will not be able to meet you tomorrow in the a.m. I hope you plan to attend tonight's meeting. If so, please try to stop by the dais and say hello and we can try set a future date to get together. If not, email me your phone number and we can plan a time and place to meet on the phone. Thanks again for your input and insights.

Kindest Regards,
Jack Duncan

On Sep 4, 2012, at 4:29 PM, <joshuabenaim@gmail.com> wrote:

> Dear Mr. Duncan,
> Thank you for the message, I'd be delighted to meet for a coffee and try to talk through a sensible solution. I'm around tomorrow morning if you're free by any chance, and then heading across the state to work on my new development deal, but I can also telephone or come by during my next visit.
> Many thanks again for the email,
> Best,
> JB
>
>
>
>
>
> Sent via BlackBerry from T-Mobile
>
> -----Original Message-----
> From: Jack Duncan <jduncan@longboatkey.org>
> Date: Tue, 4 Sep 2012 15:07:44
> To: Joshua Benaim <joshuabenaim@gmail.com>
> Cc: Town Clerk <townclerk@longboatkey.org>
> Subject: Re:
>
> Dear Mr. Benaim
>
> Thank you for your thoughts on this very complex issue. Your past experience certainly seems to lend itself to solving complex property issues. As much as tonight's meeting will begin the vetting process for the "Extension Request", I was hoping that, maybe over a cup of coffee, you and I could get together and discuss the whole of Colony. I would very much like to get an open minded unit owners perspective on how this issue might be settled "Amicably".

>
> Jack Duncan
> Commissioner, Longboat Key
>
>
>
>
>
>
>
> On Sep 4, 2012, at 7:16 AM, Joshua Benaim wrote:
>
> Dear Commissioner Duncan,
>
> I am writing as a friend of the Longboat and Sarasota community, where I am currently serving as a trustee of the Sarasota Opera. Many years ago as an apprentice with the company, we performed in churches and synagogues up and down Longboat Key. I'm also a real estate investor/developer active in New York, Miami and Washington, DC and have been recruited to help solve the problems at the Colony. Two years ago I bought a couple of units in the expectation of a turnaround, and in the hope of spending more time on Longboat Key attending the Opera and downing Kilwin's fudge. I have committed financially and time-wise to helping one great Sarasota institution --the Sarasota Opera-- stay strong, and if I can help get this other great Sarasota institution back on track I will view this as my good deed of the year. I'm looking forward to meeting you at the Town meeting tonight.
>
> After a couple of years of frustration at the continued fighting and inaction, I decided to light a candle and see if my experience in complex real estate situations and restoration of historic buildings could be useful to all the parties at the Colony in finding a win-win resolution. Along with a small group of other practical and experienced owners in the business, real estate and legal fields, a new Owners Committee on Redevelopment set out to try to make a difference.
>
> In just a few short months, we are happy to report significant progress with engaging development and hospitality partners, securing capital and concrete positive momentum on the various settlement fronts (we are the group positively referenced in Dr. Klauber's recent letter). I stepped down from my post as Co-Chair of the Harvard Real Estate Alumni Association and have taken time away from my one-year-old this summer to try my best to solve this thorny problem which will hopefully one day become a case study in turning around a distressed property and dispute resolution. I hope you will support our efforts to make things right.
>
> I am very impressed by Longboat Key Planning Director Meyer's recommendations for a tough but fair extension along with concrete milestones in safety, landscaping and pest control. We greatly appreciate you keeping an open mind and helping to reach practical solutions. We think that the currently proposed redevelopment plan will soon restore the Colony to its rightful place as a tourism generator and the plans for a gut renovation will preserve the property's unique charm while also reinvigorating the hi-end market.
>
> Please bear in mind that in order to commit +/- \$40 million to settle all the disputes and restore the property and fully upgrade the interiors to luxury standards, lenders and investors will want a comfort level that the entitlements are intact. I welcome the planning director's wise stance in demanding concrete actions, but at the same time giving the investment community certainty that the property rights will remain. In my opinion, this is our only way to raise the funds to settle amicably with all parties and revive the property.
>

> Thank you in advance for your consideration, and I look forward to meeting you tomorrow. The thoughtfulness and attention you the Commissioners have brought in the hard work you have to do every day is greatly appreciated. I also look forward to the day when we can go back to enjoying many more opera-loving tourists on Longboat Key!

>

> Best regards,

>

> Josh Benaim

>

>

Trish Granger

From: Phillip Younger
Sent: Tuesday, September 04, 2012 8:21 AM
To: Joshua Benaim
Cc: Town Clerk
Subject: RE:

Thank you for your input.

Phill Y

From: Joshua Benaim [joshuabenaim@gmail.com]
Sent: Tuesday, September 04, 2012 7:25 AM
To: Phillip Younger
Subject:

Dear Commissioner Younger,

I am writing as a friend of the Longboat and Sarasota community, where I am currently serving as a trustee of the Sarasota Opera. Many years ago as an apprentice with the company, we performed in churches and synagogues up and down Longboat Key. I'm also a real estate investor/developer active in New York, Miami and Washington, DC and have been recruited to help solve the problems at the Colony. Two years ago I bought a couple of units in the expectation of a turnaround, and in the hope of spending more time on Longboat Key attending the Opera and downing Kilwin's fudge. I have committed financially and time-wise to helping one great Sarasota institution --the Sarasota Opera-- stay strong, and if I can help get this other great Sarasota institution back on track I will view this as my good deed of the year. I'm looking forward to meeting you at the Town meeting tonight.

After a couple of years of frustration at the continued fighting and inaction, I decided to light a candle and see if my experience in complex real estate situations and restoration of historic buildings could be useful to all the parties at the Colony in finding a win-win resolution. Along with a small group of other practical and experienced owners in the business, real estate and legal fields, including Greg Rusovich and others, a new Owners Committee on Redevelopment set out to try to make a difference.

In just a few short months, we are happy to report significant progress with engaging development and hospitality partners, securing capital and concrete positive momentum on the various settlement fronts (we are the group positively referenced in Dr. Klauber's recent letter). I stepped down from my post as Co-Chair of the Harvard Real Estate Alumni Association and have taken time away from my one-year-old this summer to try my best to solve this thorny problem which will hopefully one day become a case study in turning around a distressed property and dispute resolution. I hope you will support our efforts to make things right.

I am very impressed by Longboat Key Planning Director Meyer's recommendations for a tough but fair extension along with concrete milestones in safety, landscaping and pest control. We greatly appreciate you keeping an open mind and helping to reach practical solutions. We think that the currently proposed redevelopment plan will soon restore the Colony to its rightful place as a tourism generator and the plans for a gut renovation will preserve the property's unique charm while also reinvigorating the hi-end market.

Please bear in mind that in order to commit +/- \$40 million to settle all the disputes and restore the property and fully upgrade the interiors to luxury standards, lenders and investors will want a comfort level that the entitlements are intact. I welcome the planning director's wise stance in demanding concrete actions, but at the same time giving the investment community certainty that the property rights will remain. In my opinion, this is our only way to raise the funds to settle amicably with all parties and revive the property.

Thank you in advance for your consideration, and I look forward to meeting you tomorrow. The thoughtfulness and attention you the Commissioners have brought in the hard work you have to do every day is greatly appreciated. I also look forward to the day when we can go back to enjoying many more opera-loving tourists on Longboat Key!

Best regards,

Josh Benaim

Trish Granger

From: JFleetwood@aol.com
Sent: Tuesday, September 04, 2012 4:11 PM
To: sreid@lbknews.com; rhartill@yourobsvr.com
Cc: James L. Brown; Terry Gans; Lynn Larson; Patricia Zunz; David Brenner; Phillip Younger; Jack Duncan; jyablon@nycap.rr.com
Subject: From Margaret Conner to Town Commissioners; Please do not let this happen

Please send to Mayor and Town Commissioner District 4 Jim Brown

My husband and I bought our unit in 1990

It has been a wonderful place to get all the family together for reunions

Since my husband passed away 6 years ago it has been a way for me to remember the happy times we all had with him

3 years ago this all ended

We are innocent parties and do not deserve to lose everything because of a legal dispute that we had no part in and was not of our making

Please do not let this happen to our family

Margaret Conner
22 Buttonwood Trail
Aurora, Ontario, Canada

Trish Granger

From: Nails11@aol.com
Sent: Tuesday, September 04, 2012 4:39 PM
To: James L. Brown; Terry Gans; Lynn Larson; Patricia Zunz
Subject: Colony extension

My family have been owners of unit #132 at the Colony for the past 30 years. We are as frustrated as the town has been over the past few years, having paid taxes and assessments while not being able to use our unit. We feel that our Association, under the leadership of Jay Yablon, has attempted to obtain a satisfactory agreement with various parties to renovate/rebuild, under extremely difficult circumstances.

The lawsuits by the general partner have severely hampered the Colony owners in reaching a conclusive agreement. For the town to attempt to put themselves in a position to restart the process would take a Herculean effort and time on its part.

We would hope this realization and others would help you reach the conclusion to approve the extension for the same number of units currently approved, especially since reducing the number would further reduce the interest of any developer.

Additionally, our Board had not heard anything directly from the Aquarius Board as to any problems .I am sure that they would have taken action to remedy their concerns had they been made aware of them.

Respectfully,
The Erazmus family.

Trish Granger

From: Thomas Hunt [tom.hunt@installs.com]
Sent: Tuesday, September 04, 2012 6:33 PM
To: James L. Brown; David Brenner; Lynn Larson; Jack Duncan; Patricia Zunz; Terry Gans; Phillip Younger
Subject: Colony Zoning issue from an owner

Dear Mayor, Vice-Mayor and Town Commissioners,

Over 35 years ago friends of Dr. Murf Klauber in Buffalo introduced me to the Colony on Longboat key; a few years later I purchased a unit and have been a taxpayer ever since.

After many years of inviting friends, siblings, nieces and nephews to enjoy the unique Longboat experience, we purchased another unit to accommodate the family demand!
It has always been great, and we have always spread the word about tourism on our beautiful Key. I'm writing as a longtime owner and great ambassador for Longboat Key.

I have read a number of editorials in the local papers about the hearing tonight, and the differing opinions of your constituents about Home Owner's Association's request for an extension of time to reopen under the current zoning of 237 tourism units. While I don't pretend to know all of the complexities, for sure, on the surface it appears you have:

1. a wonderful site which still could, and almost certainly will, provide the Town with 237 much needed tourism units and amenities at some point in the future.
2. And you also have a site which has deteriorated to the point that some neighbors want action--and were I to see it I may sympathize with their opinions.

But downzoning eliminates the great asset in number 1 above, and does not appear to accomplish results for the problems of deterioration. This does not appear to be a matching of problem and solution.

Using the "stick" form of motivation on us, the owners, to incent us solve the legal issues and move forward would seem to be detrimental to the Town's objectives, as well as, I suspect, completely alienate 200 plus of your greatest supporters from around the country. If we, as owners, through our Association, have not done enough to maintain the safety and appearance of the property, then the solution should be targeted at that issue.

Of course I'm biased; I have several units, 35 years of family history, a substantial financial investment, a far greater emotional investment, and a great love for Longboat Key. And there are 200 more great ambassadors waiting to sell the virtues of Longboat again.

Please give us time.

Thank you.

Thank you

Thomas Hunt

THOMAS HUNT

Tom.hunt@installs.com

P 716 332 1440

M 716 536 3333

Trish Granger

From: G Jaleski at Comcast [gjaleski@comcast.net]
Sent: Thursday, September 06, 2012 1:26 PM
To: James L. Brown
Subject: Colony Dialog

Jim, Tuesday's commission meeting dealing with the Colony dilemma was one of the best I have attended in decades. It was a pleasure to see spirited forum, including all parties, in an honest attempt to further a stalled process. Lynn Larson's observation that the courts are unlikely to be a solution was to the point. She is correct, the various parties need to find their own solutions. I have always felt the same about the Key Club.

You were quite adamant about finding a solution at the Colony that will enhance the community, not simply what is the least expensive patch-up. I agree with you that whatever happens at the Colony, they will have to compete in a market that has changed considerably in the past two decades. The Colony property is a jewel waiting to be polished. Why take a hamburger to a feast?

If I understood you at the commission meeting, I think you were making an argument for some sort of architectural review process on Longboat Key. You would not be alone in this. Perhaps the Colony can be a first attempt at the community participating in future large-scale development on the island. Below are some links to resort concepts that embody the beauty and good taste that will be a necessary part of a successful Colony Resort.

I feel that if a beautiful concept can be developed, the money can be found to build a truly first class accommodation that will enhance Longboat Key.

The Colony needs to be reborn not mended. This could be an opportunity to create a modern world class resort, and the beginning of a new era on Longboat Key

<http://www.orchid-resort.com/>

<http://www.heliosgroup.biz/portfolio-item/tropical-beach-resort/>

Gene Jaleski

http://www.hotel-online.com/News/PR2005_1st/Feb05_CondoHotelsWork.html

<http://urbanland.uli.org/Articles/2012/July/KelleyCondo>





Trish Granger

From: Terry Gans
Sent: Thursday, September 06, 2012 1:38 PM
To: Aquarius Club
Cc: Town Clerk
Subject: RE: Colony Beach and Tennis Club - Request for Extension

Thank you for this extremely well thought, detailed letter. It is easy to understand the emotions that drove your original position and which is reflected in the opening paragraphs of today's letter. But it is so valuable to have a reasoned "however" approach as opposed to one where heels are dug in inflexibly.

We can only hope that this attitude is contagious and spreads to the parties in the current dispute, as well as other issues which face our Town.

Terry Gans

From: Aquarius Club [aquariusclubbk@gmail.com]
Sent: Thursday, September 06, 2012 12:46 PM
To: Terry Gans
Subject: Colony Beach and Tennis Club - Request for Extension

On Behalf of the Aquarius Club Condominium Association

Thanks,

Debbie Fulton, CAM, CMCA, AMS
aquariusclubbk@gmail.com
Phone: 941-383-4223
Fax: 941-383-0900

Trish Granger

From: David Brenner
Sent: Thursday, September 06, 2012 5:47 PM
To: Aquarius Club
Cc: Town Clerk
Subject: RE: Colony Beach and Tennis Club - Request for Extension

Thanks for your letter following up the Tuesday night meeting. Your thoughts will be given serious consideration. Dave Brenner _____

From: Aquarius Club [aquariusclubbk@gmail.com]
Sent: Thursday, September 06, 2012 1:27 PM
To: Lynn Larson; Jack Duncan; David Brenner; James L. Brown; Phillip Younger; Patricia Zunz
Subject: Colony Beach and Tennis Club - Request for Extension

On Behalf of the Aquarius Club Condominium Association.

If you are receiving this twice I apologize.

Thanks,

Debbie Fulton, CAM, CMCA, AMS
aquariusclubbk@gmail.com
Phone: 941-383-4223
Fax: 941-383-0900

Trish Granger

From: Jack Duncan
Sent: Friday, September 07, 2012 5:10 PM
To: Aquarius Club
Cc: Town Clerk
Subject: Re: Colony Beach and Tennis Club - Request for Extension

Debbie

Please thank Frank and the team for this well thought out input.
I will discuss your thoughts with the Town Manager on Tuesday at our weekly meeting.

Jack Duncan
Commissioner, Longboat Key

On Sep 6, 2012, at 1:27 PM, Aquarius Club wrote:

<colony commission 2.pdf>

Trish Granger

From: Wayne R. Thorne
Sent: Monday, September 10, 2012 8:20 AM
To: Phillip Younger
Cc: Dave Bullock
Subject: Tour of the Colony

I can be available to take you on a tour of the community.
Let me know where to pick you up and the time you would like to visit.

Wayne R. Thorne
Building Official CBO. MCP.
Town of Longboat Key
Longboat Key, Florida 34226
941-361-6411 ext 372; Cell 941-650-1973

Trish Granger

From: David/Linda Van Howe [dvhpvh@aol.com]
Sent: Tuesday, September 11, 2012 10:44 AM
To: Lynn Larson; Jack Duncan; David Brenner; James L. Brown; Patricia Zunz; Terry Gans; Phillip Younger
Subject: Extension to the Colony property

Regarding the recent meeting concerning the extension requested by The Colony Association, we would like to reiterate that, as residents of its immediate neighboring property The Aquarius Club, we oppose an extension and are in agreement with statements made by our Board. We remain opposed because during all this time (now going into years) there has been no significant progress in settling the situation, nor improving and maintaining the property. There remains a question in our minds that, if given the extension, any real progress will be made to improve the units and grounds. We have not heard or read of any significant plans/timeline for development of this now unoccupied property. Furthermore, it continues to deteriorate and is an open invitation to vandalism and animals, as it appears abandoned. We are concerned about public health issues there and don't really believe that it can be redeveloped in a timely manner at this point. In the past year, there has been no progress and we, as neighboring residents, have had to witness the further decline of the property and have this decline affect our own property values. It is only since we residents sent emails strongly opposing an extension and since the last meeting where our opinions and concerns were strongly voiced as an Association that assurances were given by the Colony Association to aggressively control the decline.

As our Aquarius Board has stated, we disagree with any extension, but recognize the complexities of the situation with owners of units at The Colony. We repeat and support our Board's requests to the Commission that any extension granted be conditional on the Colony meeting time based performance milestones. These milestones, summarized, include 1) securing the buildings as dictated by the Building Department, 2) provide continuing landscape maintenance, 3) provide continuing beach maintenance, 4) perform pest and vermin control by a reputable contractor, 5) provide a viable site plan which meets all FEMA and local codes within 9 months of the start date of any extension, 6) quarterly reports from the attorneys stating progress made in settlement negotiations during the preceding 90 days, and 7) all interested parties present a public progress presentation every 6 months during the extension period. All items requiring repairs, pest control, beach maintenance, landscape maintenance will have paid invoices, which should be provided to the Commission as proof that the conditions are being met.

We ask that you very carefully consider the wisdom of any extension offered to the Colony Association, taking into account their past inability to progress to a resolution.

Sincerely,
David & Linda Van Howe
dvhpvh@aol.com

Trish Granger

From: Jack Duncan
Sent: Wednesday, September 12, 2012 1:50 AM
To: Dave Bullock
Cc: Town Clerk
Subject: Colony

David

I had the opportunity today to go up on the roof of the Aquarius Condominiums and look out over the Colony property. Aside from the blight that is obvious from a ground view, I did see one disturbing potential problem that is easily resolved and not obvious when looking up from ground level. Several units have chairs sitting out on there porches. Assuming they are in no way attached to the porch, they certainly pose a real threat should we have a severe wind event on the island. I believe Code Enforcement needs to look into this issue in the general sense and make sure that along with removing the chairs, all property on the sight that is subject to being blown around needs to be removed or secured.

Jack Duncan

Trish Granger

From: John Swengel [jswengel@comcast.net]
Sent: Wednesday, September 12, 2012 2:08 PM
To: David Brenner
Cc: Aquarius Club
Subject: Colony extension

Dear Mr Brenner,

The definition of insanity is "doing the same thing over and over again and expecting different results" is often attributed to Albert Einstein.

It appears as though by extending the decision on the Colony repeatedly the commission is reinforcing this definition. There has been more than adequate time and opportunity for decisions to be made. For whatever reason, the Colony's or others, no progress is being made. All of the concerns mentioned in the most recent letter to the commission from the Bd of Directors at Aquarius Club are very real concerns, not just for Aquarius Club but for the entire town of LBK.

It is my hope that the Commission will step up to the plate and make the correct decision by not extending action on the Colony Club. It's time to eliminate the eyesore and the potential health concerns, political reasons aside.

Regards,

John Swengel
Aquarius Club owner

Trish Granger

From: sndda@aol.co.uk
Sent: Wednesday, September 12, 2012 2:36 PM
To: Lynn Larson; Jack Duncan; David Brenner; James L. Brown; Patricia Zunz; Terry Gans; Phillip Younger
Subject: COLONY BEACH & TENNIS RESORT

To all Commissioners of Longboat Key,

Being an owner in the Aquarius Club we wholeheartedly support our board with regard to their recent letter, with proposals. It is time to make a constructive decision .At; Aquarius, our property values are decreasing by the eye sore that is the Colony. It is not only the unit owners within the Colony who are being disadvantaged but also their neighbors so please take this into account when you come to make this vital judgement and bring it to a lasting and final conclusion.It has already been said but really ENOUGH IS ENOUGH .

Yours sincerely,
Mr &Mrs Sneddon
unit 404
Aquarius Club,
1701 Gulf of Mexico Drive,
Longboat Key, FL
34228

Eva Waldroup

From: Dave Bullock
Sent: Thursday, September 13, 2012 9:03 AM
To: Commission
Cc: Susan Phillips; Trish Granger; Juan Florensa
Subject: FW: Karins Engineering Study

Some Commissioners requested copies of the referenced study. Mr. Yablon's response is shown below.

From: Jay R. Yablon [<mailto:jyablon@nycap.rr.com>]
Sent: Thursday, September 13, 2012 8:18 AM
To: Dave Bullock
Cc: Wayne R. Thorne; David Persson; Don Hemke
Subject: Re: Karins Engineering Study

Hi David:

You may have noticed that I was somewhat confused on the 4th, because I was not sure what my teammates had in mind when they referred to a report from Karins, and I still am not. I will find out and get back to you. FYI, we do plan to have David at the meeting on the 24th so certainly he will be able to provide his views on rehab feasibility at that time.

Jay

From: Dave Bullock
Sent: Wednesday, September 12, 2012 8:41 AM
To: 'Jay R. Yablon'
Cc: Wayne R. Thorne ; David Persson
Subject: Karins Engineering Study

Jay: at the September 24, 2012 Town Commission meeting it was mentioned there was an updated Karins Engineering study regarding conditions at the Colony and possible rehabilitation. The Town does not have that study. Please forward a copy to us so we can review. Thank you for your cooperation.

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2012.0.2221 / Virus Database: 2437/5263 - Release Date: 09/11/12

Trish Granger

From: Dave Bullock
Sent: Friday, September 14, 2012 9:12 AM
To: James L. Brown; David Brenner; Phillip Younger; Jack Duncan; Lynn Larson; Terry Gans; Patricia Zunz
Cc: Juan Florensa; Paul Dezzi; Pete Cumming; Monica Quarmby; Robin D. Meyer; Susan Phillips; Trish Granger; David Persson
Subject: Fwd: Notice of potential unsafe building. 1620 Gulf of Mexico Drive. The Colony Mid-rise building.
Attachments: Notice of Unsafe Structures - Letterhead.pdf; ATT00001..htm; Mid-rise engineer report.pdf; ATT00002..htm; Colony mid-rise unsafe notice.pdf; ATT00003..htm

Attached are some documents related to Colony. The Town just became aware of conditions inside the building and the Building Official has taken appropriate appropriate action.

Begin forwarded message:

From: "Wayne R. Thorne" <wthorne@longboatkey.org>
To: "Andrew Adams" <aadams@mgmtsource.net>, "Charles Bartlett" <cbartlett@icardmerrill.com>, "Daivd L. Siegel" <davidsiegel@the-beach.net>, "Dave Bullock" <dbullock@longboatkey.org>, "David M. Siegal" <dsiegal@assafandsiegal.com>, "David Persson" <dpersson@sarasotalawfirm.com>, "Don Hemke" <dhemke@carltonfields.com>, "Dr. Murray Klauber" <murfklauber@gmail.com>, "Jay Yablon" <jyablon@nycap.rr.com>, "Jeffrey Warren" <jwarren@bushross.com>, "Jordi Guso" <JGuso@bergersingerman.com>, "Morgan Bentley" <mbentley@bentleyandbruning.com>, "Neal Sivyer" <nsivyer@sbwlegal.com>, "Randy Langley" <randy@langleycorporate.com>, "Roberta Colton" <rcolton@trenam.com>, "Robin D. Meyer" <rmeyer@longboatkey.org>, "William Maloney" <bill.maloney@bmaloney.com>
Cc: "Dave Bullock" <dbullock@longboatkey.org>, "Juan Florensa" <jflorensa@longboatkey.org>, "Kathi Pletzke" <kathip@longboatkey.org>, "Paul Dezzi" <pdezzi@longboatkey.org>, "Pete Cumming" <chiefcumming@longboatkey.org>, "Robin D. Meyer" <rmeyer@longboatkey.org>, "Susan Phillips" <sphillips@longboatkey.org>, "Thomas Kelley" <tkelley@longboatkey.org>, "Trish Granger" <tgranger@longboatkey.org>
Subject: Notice of potential unsafe building. 1620 Gulf of Mexico Drive. The Colony Mid-rise building.

Please see the attachments.

The Notice of unsafe structures – letterhead, describes the action taken.

The Mid-rise engineer report provided the reason for the action.

The Colony mid-rise unsafe notice is a copy of the notice posted at the entrances.

Wayne R. Thorne
Building Official CBO. MCP.
Town of Longboat Key
Longboat Key, Florida 34226
941-361-6411 ext 372; Cell 941-650-1973



TOWN OF LONGBOAT KEY

Incorporated November 14, 1955

501 Bay Isles Road
Longboat Key, FL 34228
(941) 316-1999
FAX (941) 316-1656
www.longboatkey.org

September 12, 2012

Colony Beach & Tennis Club Association, Inc.
C/o Jay R. Yablon, Esquire
President
910 Northumberland Drive
Schenectady, New York 12309
iyablon@nycap.rr.com

Mr. Donald E. Hemke, Esquire
Attorney for Colony Beach & Tennis Association Inc.
Carlton Fields PA
Post Office Box 3239
Tampa, Florida 33601-3239
dhemke@carltonfields.com

Dr. Murray J. Klauber
Registered Agent for Colony Beach & Tennis Club, Inc.
and Colony Beach, Inc.
1620 Gulf of Mexico Drive
Longboat Key, Florida 34228
murfklauber@gmail.com

Charles J. Bartlett, Esquire
Attorney for Colony Beach & Tennis Club, Inc. and
Colony Beach Inc.
Icard Merrill Cullis, et al
Post Office Box 4195
Sarasota, Florida 34230-4195
cbartlett@icardmerrill.com

David L. Siegel, Esquire
Attorney for Colony Lender, LLC
5313 North Bay Road
Miami Beach, Florida 33140-2030
davidsiegel@the-beach.net



TOWN OF LONGBOAT KEY

Incorporated November 14, 1955

501 Bay Isles Road
Longboat Key, FL 34228
(941) 316-1999
FAX (941) 316-1656
www.longboatkey.org

Breakpointe, LLC
C/o W. Andrew Adams, Manager
801 Mooreland Lane
Murfreesboro, Tennessee 37128
aadams@mgmtsource.net

Neal A. Sivyver, Esquire
Attorney for Breakpointe, LLC
Sivyver, Barlow, Watson, PA
401 East Jackson Street Suite 2225
Tampa, Florida 33602-5233
nsivyver@sbwlegal.com

To Whom It May Concern:

On September 10, 2012, the Town of Longboat Key Building Department received a letter from ProNet Group Incorporated, a licensed engineering firm hired by Citizens Insurance, regarding structural issues observed in the mid-rise building of the Colony Beach & Tennis Resort located at 1620 Gulf of Mexico Drive. The letter states that the firm observed steel bar joists above unit 4115 and above the roofline parapet bracing which no longer support their intended design loads. The letter also states that the same conditions may exist throughout the building. A copy of the letter is attached.

On September 12, 2012, at 10:45 am the Town Building Official was not granted access to the building for verification of conditions. Based on the signed and sealed letter from ProNet, it has been determined that the building is "Potentially hazardous and may be unsafe." In accordance with Town Code Section 150.21, *Procedure for dangerous or unsanitary buildings*, signage will be affixed to each entry into the building to restrict its occupancy and use. Occupancy or use of the building will not be allowed until the tests, analysis, and repairs have been completed and the minimum housing standards have been met in accordance with Town Code Section 150.04, with final inspections by the Town Building Department and Fire Marshal. To preserve the building and prevent the building from becoming an imminent danger the following actions shall occur:

- 1) The entire building floor and roof systems shall be inspected and an analysis or in-situ load test shall be performed by a Florida licensed professional engineer on the structural stability of the building (please refer to 2010 Florida Building Code Section 1713.1). The engineer shall provide a design for temporary shoring for all locations where support of any member has been compromised and there is evidence of potential failure. The engineer shall provide design recommendations for all areas and locations that may show signs that the designed loads may no longer be supported. This shall be completed and provided to the Town Building Official by October 1, 2012 (please refer to 2010 Florida Building Code, Building section 1713.1 for requirements).
- 2) A licensed general or building contractor in accordance with State Statute 489.105(3)(b) shall submit an application for permit by October 8, 2012.
- 3) Work shall commence within ten (10) days of issuance of the building permit. The permit will be restricted to the shoring, repairs, and incidental work associated to the repair.
- 4) All structural repairs for this building shall comply with Chapter 5 of the 2010 Florida Existing Building Code.
- 5) The shoring and structural repairs shall be inspected by a person licensed in accordance with Florida Statute 471 or 481. Reports of inspections shall be provided to the Town Building Official. All non-structural work to be inspected by the Town Building Department for compliance prior to covering of work.
- 6) Building permits will be required for all work performed. No work that is not directly related to the repair shall be made except under a separate permit and after the repairs have been completed.

Extensions in the timeline may be granted only when requested in writing to the Building Official with data substantiating the request.

It has also been brought to my attention that there is a plan to have mold remediation on this building in the near future. A building permit will be required for the removal and or installation of any of the wall or ceiling finishes, equipment, and fixtures within the building.

Sincerely,



Wayne R. Thorne
Building Official
Town of Longboat Key

Cc:

Mr. Morgan R. Bentley, Esquire
Bentley & Bruning PA
783 South Orange Avenue Suite 220
Sarasota, Florida 34236-4702
mbentley@bentleyandbruning.com

Mr. William Maloney
Bankruptcy Trustee for Colony Beach & Tennis Club
200 – 2nd Avenue South #463
St. Petersburg, Florida 33701
bill.maloney@bmaloney.com

Mr. Jordi Guso, Esquire
Bankruptcy attorney for Colony Beach & Tennis Club
Berger Singerman, LLP
1450 Brickell Avenue Suite 1900
Miami, Florida 33131-3453
JGuso@bergersingerman.com

Ms. Roberta A. Colton, Esquire
Bankruptcy attorney for Colony Beach & Tennis Club
Trenam Kemker, PA
Post Office Box 1102
Tampa, FL 33601-1102
rcolton@trenam.com

Mr. Jeffrey W. Warren, Esquire
Bush-Ross Attorneys at Law
1801 North Highland Avenue
Tampa, Florida 33602
jwarren@bushross.com

David M. Siegal, Esquire
Assaf & Siegal PLLC
16 Corporate Woods Boulevard
Albany, New York 12211
dsiegal@assafandsiegal.com

Randy Langley
randy@langleycorporate.com

David Persson, Town Attorney
David Bullock, Town Manager
Robin Meyer, Planning, Zoning & Building Director

TOWN OF LONGBOAT KEY

WARNING!

DANGER

BY ORDER OF THE

**TOWN OF LONGBOAT KEY BUILDING OFFICIAL
THIS BUILDING, STRUCTURE OR PROPERTY IS POTENTIALLY
HAZARDOUS AND MAY BE DEEMED UNSAFE UNTIL ALL
REQUIRED REPAIRS AND INSPECTIONS ARE COMPLETE.
A BUILDING PERMIT MAY BE REQUIRED**

TOWN ORDINANCE 150.21

WARNING: ANY USE OR OCCUPANCY IS RESTRICTED SUBJECT TO THE TOWN OF LONGBOAT KEY BUILDING OFFICIAL.
ALL ACTIVITY IS SOLELY AT INDIVIDUAL RISK.

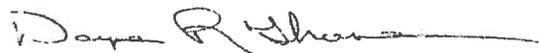
ADDRESS: 1620 GULF OF MEXICO DRIVE, THE COLONY RESORT MID-RISE BUILDING

ORDER NO: BCV.0832

POSTED BY: (PRINT NAME) Wayne R. Thorne

DATE: 09/12/12

BUILDING OFFICIAL:



REMOVAL OF THIS NOTICE IS SUBJECT TO CRIMINAL PROSECUTION

IT IS UNLAWFUL TO MUTILATE OR REMOVE THIS NOTICE UNTIL SUCH TIME AS THE OWNER COMPLIES WITH SUCH NOTICE, ORDER AND ORDINANCE.

CONTACT INFO: TOWN OF LONGBOAT KEY BUILDING DEPARTMENT
501 BAY ISLES RD LONGBOAT KEY, FL 34228 (941) 316-1966



ProNet Group, Inc.

TAMPA
10500 University Center Drive
Suite 100
Tampa, Florida 33612
813.314.2080 (phone)
866.537.5501 (toll free)
800.996.8377 (fax)

Certificate of Authorization No. 9533
License No. A 2600267

info@pronetgroup.com
www.pronetgroup.com

September 5, 2012

Mr. Wayne R. Thorne
Interim Building Official
Town of Longboat Key
Planning, Zoning, and Building Department
501 Bay Isles Road
Longboat Key, FL 34228

Re: Public Health/Safety Hazard at
1620 Gulf of Mexico Drive
Longboat Key, Florida 34228
Citizens Claim No. 332776
ProNet File No. 19134

Dear Mr. Thorne:

At the request of Citizens Property Insurance, ProNet Group, Inc. performed an inspection of the six-story hotel building located at 1620 Gulf of Mexico Drive in Longboat Key, Florida on August 22, 2012. During our inspection it was determined that some of the exposed steel bar-joists running in the east-west direction in Unit 411S, supporting the southeast portion of the fifth floor, were severely corroded at the east end along the exterior east wall of the building.

The corrosion of these bar-joists is severe enough that it has allowed the joists to pull away from the east wall support and moved downward. The current condition at these joists indicates that the floor framing system is no longer adequate to support the loads as originally designed. Since this level of corrosion is consistent with long-term exposure to rain water/moisture migration, it is reasonable to conclude that this condition occurs at other areas and floors of the building, which were not available for observation during our inspection.



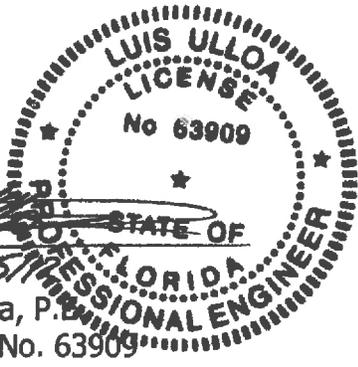
Additionally we observed severely corroded steel bracing/kickers; these steel bracings are located at the roof level and provide lateral stability for the parapet walls along the north and south sides of the building.

It is imperative that these conditions be inspected and repairs prepared by a Florida licensed Professional Engineer who specializes in structural design, reviewed and approved by the Authority Having Jurisdiction (AHJ). However, since there is potential failure of these floor bar-joists, a temporary shoring system prepared by a licensed Professional Engineer should be installed as soon as possible.

Our client, Citizens Property Insurance, and the Colony Beach & Tennis Club Association have been advised of these conditions.

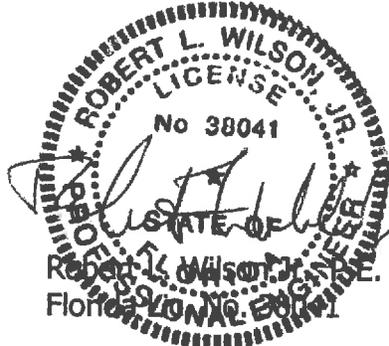
Sincerely,

ProNet Group, Inc.



A circular professional seal for Luis Ulloa, a Professional Engineer in the State of Florida. The seal contains the text: "LUIS ULLOA LICENSE No 63909 STATE OF FLORIDA PROFESSIONAL ENGINEER". A handwritten signature is written over the seal, and the date "9/5/12" is written below it.

Luis M. Ulloa, P.E.
Florida Lic. No. 63909



A circular professional seal for Robert L. Wilson Jr., a Professional Engineer in the State of Florida. The seal contains the text: "ROBERT L. WILSON JR. LICENSE No 38041 STATE OF FLORIDA PROFESSIONAL ENGINEER". A handwritten signature is written over the seal, and the date "9/5/12" is written to the right of the seal.

Robert L. Wilson Jr.
Florida Lic. No. 38041

Trish Granger

From: frank cona [fcona@comcast.net]
Sent: Friday, September 14, 2012 9:51 PM
To: Phillip Younger; Lynn Larson; Jack Duncan; David Brenner; James L. Brown; Patricia Zunz; Terry Gans
Subject: Colony issue Extension of time

This is an e-mail to the Longboat Key Longboat Key Commissioners with respect to the Colony zoning extension request.

I am writing this email having no financial interest whatsoever in the decision that you'll make with respect to the approval or denial of the request for an extension of time for the Colony Condominium Association. Allow me to state a few facts and discuss the timeline and then I will move on to my recommendations for your consideration.

There are three parties to the dispute; the management company, the Condominium Association and the folks that own the note on the and real property owned by Dr. Klauber. The issue of who owes what to whom at the Colony is in dispute.

In addition, the adjacent condominium associations have a interest in a speedy resolution of the dispute. Repeated delays impact their health and safety, and general enjoyment of their property while the Colony property is in the "about to be abandoned state" That makes a total of five parties.

My concern is that your efforts to follow the law while acting as an "honest broker" will result in a derivative lawsuit filed by a party mentioned hereinabove who is dissatisfied with your decision on granting (or not granting) an extension of time to prevent abandonment.

The Commission is attempting to satisfy all parties involved with your decision. That is a difficult if not impossible task. I have every confidence that you will work your way through the issues and come up with something that will satisfy the majority of the parties involved. I am not qualified to opine on the legal issues, but I think our town attorney should prepare an opinion on the liability potential if we get stuck in the "briar patch" with the disputants. We have laws on the books with respect to the abandonment of property and a timeline spelling out the effective date of abandonment.

Repeated extensions of time granted while this dispute is being resolved in court could result in a suit by the losing party claiming that you violated the law by granting additional extensions (or not granting additional extensions), and consequently, caused damage to the plaintiff.

With respect to the requested extension of time, the major concern I have is that regardless of whether you grant the extension for the requested 18 months, the federal judge will issue a ruling on the court's schedule that will disappoint one of the parties to that suit. Because of the money at stake, the losing party has the right to appeal the case to a higher court. Any further appeal will drag the case out indefinitely. In other words, regardless of what you decide, if the losing party appeals the decision to a higher court, it might result in you revisiting this decision sometime in the future and having to grant (or deny) an additional extension.

My suggestion is that you consider the following points in your deliberations:

Have all parties to the existing lawsuit waive their right to appeal when the decision is announced. This will give you a good indication of the sincerity of the disputants to reach a speedy and equitable resolution of the matter.

Key the length of the extension to take effect upon the issuance of the decision of the federal judge. In other words, if you feel that nine months is appropriate for the preparation of plans and specifications that would be submitted to the town for review, toll the time from the date of the issuance of the decision of the judge.

I heartily endorse the maintenance and reconnaissance program submitted by the adjacent condominium association to maintain the property in a status that will not contribute negatively to the public health and safety of the residents of the condominiums adjacent to the Colony property.

I would only add the stipulation to have a professional engineering firm conduct the reconnaissance of the maintenance program and report on a regular basis to the Commission. The expense of the maintenance program and the reconnaissance and reporting expense should be borne by all the all the parties in the law suit. After all, additional decay of the property helps no one.

Finally, all past due utility bills owed to the town must be paid and a Security Deposit should be made before the water is turned on.

Thank you for your service,

Frank Cona

<<All information sent or received through this account is Public Record>>

Trish Granger

From: DCas1105@aol.com
Sent: Saturday, September 15, 2012 10:05 AM
To: Lynn Larson
Cc: wfmorneausr@aol.com
Subject: Colony Tourism-Use Extensiion

Commissioners, Gentlemen, Please be advised that as residents of the Aquarius Club we are appalled at the deterioration and appearance of the Colony Beach Hotel. We strongly recommend that no further extension be granted to the Association. I am sure that you are aware of the fall in real estate values in part due to the disrepair of the Colony and consequently the fall in revenue for the Village of Longboat and Sarasota. In the event you do grant an extension please follow the guidelines as outlined by Mr. Morneau and the Aquarius board. Respectfully Dr. Daniel and Hannah Casden

Trish Granger

From: Larry Grossman [pdclkg@hotmail.com]
Sent: Sunday, September 16, 2012 1:34 PM
To: James L. Brown
Subject: FW: Colony Redux

I don't know whether this letter to the editor will be published by lbk news and it wasn't in this week's edition. I wanted to speak at the public hearing on the Colony and did fill out a form but I couldn't defer making dinner past a certain time. I do feel that if there is a public hearing called that the Commission should allow the public the courtesy of speaking immediately after the applicant or petitioner and staff. The Commission should defer comment until the public is fully heard, reflect on all the comments made and then weigh in with their own comments. As it is, the public has no idea when the Commissioners will finish with their comments and back and forth with the applicant before citizens of interest are allowed to speak. Too often I get the sense that the Commissioners are trying to resolve the problem on the dais when absorbing the information and asking questions may be all that can be done at the time. I will be attending the work session on the 24th and hope to make the points reflected in my letter.

thanks Jim
larry grossman

From: pdclkg@hotmail.com
To: letters@lbknews.com
Subject: Colony Redux
Date: Sun, 9 Sep 2012 10:57:11 -0400

The public hearing on whether to grant an extension to the Colony to get its act together is approaching a farce or theater of the absurd. It seems as the problem grows or better stated deteriorates in a "back to nature" form the solutions become more elusive to the point where the Mayor would grant the applicant infinity, endless time to solve the problem. How's that for a time extension.

So as I relative newbie to the Island yet somewhat of a veteran on nonconformity issues I offer the following questions and comments;

1. How is it that a major property, one that significantly contributes to Longboat Key's attractiveness and fiscal health, is in fundamental nonconformity with the Zoning Code? If the Colony preceded the current T-6 zoning why was this zoning applied if it would place the property in nonconformance? The purpose of rezoning a property to place it in nonconformity is a policy declaring that the existing use is detrimental to the health, safety and welfare of the public and that a fair and equitable amortization period would need to be established to insure the property's nonconformity dies in due time. So I assume the T-6 zoning was a clear signal for the Colony as developed should be redeveloped to conform to the new zone. One wouldn't grandfather the existing use knowing that doing so would extend the life of a use and density not wanted and not consistent with the Comp Plan and Land Use Regulations.
2. If the Town likes the Colony as is fixed up but essentially all in place why wouldn't the Town change the Zoning to conform to the as is condition and conform the property under a new zone? Maybe because it does not comply with FEMA regulations? I don't know but I would still ask the question. It is the Town who placed the property into nonconformity from it's Zoning Regs.
3. The Town improperly extended the life of a nonconforming use. You cannot give more life (extension) to a nonconforming use than to a conforming use as established in the Comp Plan and Regulations. The Mayor effectively said that based on his expertise the site should be cleared and good money should not be invested in a bad design which would never command a 4 or 5 star rating or become a quality project. But what really is being said is that the Town policy is to see the Colony redeveloped to conform to the T-6 zoning category which will serve the public interest to reduce the density and achieve modern design in accordance with new building codes and ordinances and be in compliance with FEMA regulations. Continued consideration of extending the life of a nonconforming use, one that is also in noncompliance with building codes and is creating hazardous and unhealthy conditions for neighboring inhabited properties is such a glaring contradiction in public policy versus actions that a lawsuit would be in order.

4. The Town should deny the petition for extension and tell the applicants that they cannot fix the existing project beyond taking measures to clean up vermin and secure the site. The only option for the owners will be to redevelop the property in compliance with the existing zoning. The owners could ask for additional tourist units as allowed in the Code as part of the redevelopment plan. The owners should be given sufficient time to prepare the application as negotiated out. Demolition of existing buildings as needed should be encouraged. However, it should be clear to the ownership interests that the Town will consider fines or acquisition through condemnation of blighting conditions that have a deleterious effect on the public's health, safety and welfare.

5. The Commission cannot be a pushme-pullme doll on this issue. It cannot defer to the legal disputes among the owners, the "legal constraints", the financial problems, the pleadings of the owners or anything else that is extraneous to their duties and responsibilities. It must accede to a vision of a new, redeveloped Colony which will best meet the aspirations of Longboat Key for revitalized, quality development. To realize this vision the Commission must cut to the chase and break this impasse and put the onus on the owners to come up with a redevelopment plan. The old Colony is dead - long live a new Colony.

Larry Grossman
763A St. Judes Drive North
Longboat Key Florida 34228

9412255741

Trish Granger

From: Dave Bullock
Sent: Monday, September 17, 2012 7:58 AM
To: _Commission
Cc: Juan Florensa; Robin D. Meyer; Steve Schield; Paul Dezzi; Wayne R. Thorne; Susan Phillips
Subject: FW: Karins Engineering Study
Attachments: Karins Report, Aug 22, 2012.pdf

Attached is a recent report from an engineering firm regarding units at the Colony. Please see Mr. Yablon's cover email explaining the status of the report.

From: Jay R. Yablon [<mailto:jyablon@nycap.rr.com>]
Sent: Saturday, September 15, 2012 2:46 PM
To: Dave Bullock
Cc: Wayne R. Thorne; David Persson; Don Hemke
Subject: Re: Karins Engineering Study

Good afternoon Dave:

As requested, attached is a copy of Mr. Karins' latest Colony report of August 22, 2012. You will note that this is addressed to Mr. Dean Feltham, who chairs a subcommittee of the unit owners advisory committee for redevelopment dealing specifically with unit reopening issues as Phase I of the overall redevelopment strategy, and who is himself a real estate developer with about 40 years of experience.

This is an internal working document that the Committee has been using to inform its work. Although this is an internal working document, this is being forwarding to the Town Commission via you as a courtesy because the Commissioners have expressed their interest in seeing this report and because it was raised at the meeting last week by one of our team members. So the attached should be taken as no more and no less than a work in progress.

Now that the Association has signed a memorandum of understanding (MOU) to form a BreakPointe / Coral Hospitality redevelopment team, the subcommittee has started to work closely with the team, and subsequent reports on FEMA and other code compliances will be forthcoming as the development plans expeditiously evolve. Throughout this process, the team's plan is to consult with Town of Longboat Key staff to ensure the development plans are code and FEMA compliant.

Because this KEG Report is a work in progress, we ask that this Report be kept confidential, or if that is not possible, that it not be circulated without a copy of this cover letter, which is included as the first page of the attached PDF file.

Please let me know if we can assist further.

Jay

From: [Dave Bullock](#)
Sent: Wednesday, September 12, 2012 8:41 AM
To: '[Jay R. Yablon](#)'
Cc: [Wayne R. Thorne](#) ; [David Persson](#)
Subject: Karins Engineering Study

Jay: at the September 24, 2012 Town Commission meeting it was mentioned there was an updated Karins Engineering study regarding conditions at the Colony and possible rehabilitation. The Town does not have that study. Please forward a copy to us so we can review. Thank you for your cooperation.

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2012.0.2221 / Virus Database: 2437/5263 - Release Date: 09/11/12

THE COLONY BEACH AND TENNIS CLUB ASSOCIATION, INC.

BOARD OF DIRECTORS

Jay R. Yablon, President
Bruce V. Pinsky, Vice President
Bob Erasmus, Treasurer
Herb Lipton, Secretary

A Florida Condominium Association

1620 Gulf of Mexico Drive
Longboat Key, Florida 34228

Blake Fleetwood
Ruth Kreindler
Sheldon Rabin
Stuart Ross
Barry Spiegel

September 15, 2012

Mr. Dave Bullock
Town Manager
Town of Longboat Key
501 Bay Isles Road
Longboat Key, FL 34228

Good afternoon Dave:

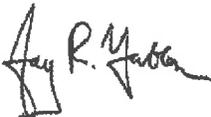
As requested, attached is a copy of Mr. Karins' latest Colony report of August 22, 2012. You will note that this is addressed to Mr. Dean Feltham, who chairs a subcommittee of the unit owners advisory committee for redevelopment dealing specifically with unit reopening issues as Phase I of the overall redevelopment strategy, and who is himself a real estate developer with about 40 years of experience.

This is an internal working document that the Committee has been using to inform its work. Although this is an internal working document, this is being forwarded to the Town Commission via you as a courtesy because the Commissioners have expressed their interest in seeing this report and because it was raised at the meeting last week by one of our team members. So the attached should be taken as no more and no less than a work in progress.

Now that the Association has signed a memorandum of understanding (MOU) to form a BreakPointe / Coral Hospitality redevelopment team, the subcommittee has started to work closely with the team, and subsequent reports on FEMA and other code compliances will be forthcoming as the development plans expeditiously evolve. Throughout this process, the team's plan is to consult with Town of Longboat Key staff to ensure the development plans are code and FEMA compliant.

Because this KEG Report is a work in progress, we ask that this Report be kept confidential, or if that is not possible, that it not be circulated without a copy of this cover letter, which is included as the first page of the attached PDF file.

Please let me know if we can assist further.



Jay R. Yablon
President

August 22, 2012

The Colony Beach & Tennis Resort Association
C/O Dean Fealtham
1620 Gulf of Mexico Drive
Longboat Key, FL 34228

**RE: *Colony Beach and Tennis Resort
KEG File # 10RS-0362
40 Unit Opening***

INTRODUCTION

As requested, Karins Engineering Group, Inc. (KEG) visited The Colony Beach and Tennis Resort to observe the interior and exterior condition of the Beach, Lanai, Vagabond, Beachcomber, Castaway, Midrise and Villas 1, 8, 10 and 18. We observed the current condition of structural components, exterior and interior finishes, HVAC system components, and plumbing components. We also were provided with the May 7, 2012 Summary Report created by Dave Bullock, Town Manager of Longboat Key. The purpose of our observation was to gather information that would enable us to provide an opinion of probable construction costs and a list of necessary work items to be completed in order to open 40 units at The Colony Beach and Tennis Resort.

Our observations and review were visual and limited to exposed surfaces of the building that were visible and readily accessible from the ground at the time of our visit. Neither our observations nor this report is intended to cover hidden defects, mechanical, electrical, architectural features, code compliance or any other items not specifically referenced herein. We did not verify operation of equipment. We did not use any special tools or instruments; nor did we perform any testing, remove any enclosures, finishes, etc. Due to the limited scope of this investigation, we cannot attest to the structures' compliance with building codes or accepted construction techniques, except as noted herein. This report is prepared for the sole benefit of the client. Any unauthorized use without our permission shall result in no liability or legal exposure to Karins Engineering Group, Inc.

EXECUTIVE SUMMARY

KEG observed the Midrise building, the Lanais, the Beachcomber, the Vagabond, the VP and Presidential Units, Castaway, the Beach Units and Villas 1, 8, 10 and 18 at the Colony. In order to feasibly open 40 units at The Colony all within the constraints of the FEMA/Town of Longboat Key flood prone region construction requirements and Town regulation, The American Disability Act (ADA) does not apply to the outlined work because the property is grandfathered in.

Work required to achieve safe near-term occupancy at the Midrise includes the following: repair of the north elevator, repair/replacement of the fire pump, testing of the newly installed fire control panel, vermin abatement, various interior repairs, backflow prevention assembly installation, plumbing repairs, generator repairs, water intrusion mitigation and all units without working smoke alarms must have new operational ones installed. Given the recent air quality testing findings of excessive amounts of mold throughout the Midrise mold abatement will be required for re-occupancy. This makes reopening any units in the Midrise unlikely to be economically feasible during this project, leading KEG to recommend repairs at Villas 8 and 10 to replace the units in the Midrise. The cost totals for the Midrise included in the attached opinion of cost are not included in the total project cost.

Work required to achieve safe near-term occupancy of the beach front units varies by building but is feasible and includes the following: installation of new A/C components, roof repairs at all units with the exception of the lanais, framing and sheathing repairs, plumbing repairs, back flow prevention assembly installation, electrical panel replacement, walkway and stairway repairs, interior finish and all units without working smoke alarms must have new operational ones installed.

Work required to achieve safe near-term occupancy of Villas 1, 8, 10 and 18 varies by building but is feasible and includes the following: installation of new A/C components, framing and siding repairs, walkway and stairway repairs, balcony repairs, interior finish repairs, kitchen bump out repairs, electrical panel replacement and floor sheathing repairs and all units without working smoke alarms must have new operational ones installed. Given the location of Villa 9 it is possible to add the building to the project following a condition survey by KEG.

In addition to the aforementioned work a boundary fence must be installed in order to sequester areas not open for occupancy and various site work, including landscaping, exterior lighting, pool repairs, signage, etc., is recommended for re-occupancy. Payment of all back utility fees must be paid, as per



the Town of Longboat Key, in full prior to water being reactivated as well as repairs and certification of the lift station.

OBSERVATIONS

Structure:

Deterioration at Villas 1, 8, 10 and 18 is comprised of rotting wood structural components, corrosion of steel and reinforced concrete foundation components, and ultraviolet (UV) damage at decking boards. Insect damage has progressed. Infestation is active. Evidence of infestation is visible at numerous structural components including floor framing, wall framing, doors and stairways. Prior to the start of structural repair work termite and pest treatments must be completed at all buildings.

Deterioration has continued at the beach front units in the form of water and insect related damage to the framing and sheathing of the units, framing repairs will be required in order to reoccupy the units. There is also significant UV degradation on the wooden walkways, stairways and elevated patios at the beach units that must be replaced/repared prior to reoccupying the units. The observed evidence of deteriorated reinforced concrete does not appear to compromise the structural stability of the buildings and therefore is not planned to be addressed in the initial scope of work. The building with the most deterioration is the Lanai building. The majority of the damaged observed at the Lanai building is related to water intrusion due to the prior roof leak that was repaired last year. The repairs outlined in our report and opinion of cost appear to be sufficient enough to bring the buildings to safe occupancy for the next 3-5 years. KEG did not have access to the structure underneath the Presidential and VP units for inspection, given that information those units future structural stability cannot be confirmed at this time.

Heating Ventilation and Air Conditioning

Mechanical closets were observed and new compressors should be installed at the beach front units and Villas as it is unlikely they still function given their age, condition and that they have not been operated in over one year. In order to reoccupy the units new compressors should be installed as per the current building code. Those units such as water heaters and AC compressors that are being replaced will have the new warranties with life expectancy of 10-15 years.



Plumbing/Electrical Systems

It is also likely that the existing waste and water supply lines at the beach units have deteriorated to the point that replacement or extensive repair of the existing plumbing will be required to reoccupy so provisions have been made anticipating repair, in order to locate existing voids and possible leaks in the current plumbing system KEG recommends a smoke test be conducted at the Villas. All metered buildings without backflow prevention assemblies must have them installed, as per the Town of Longboat Key, prior to reactivation of water surfaces. The existing exterior washers and dryers must be removed or replaced with units rated for exterior use and 1 hour fire rated barriers must be installed at the stairways above the units. Existing electrical panels not meeting the Florida Building Code must be replaced, this includes panels that were installed or altered without permits in the past or repaired using a different manufacturers components which can lead to fire hazards. In the attached opinion of cost KEG budgeted for replacement of all panels, which is a conservative estimate. KEG recommends CCTV inspections of the underground mains and laterals to locate any existing voids in the pipe prior to reactivation of plumbing services. The lift station must also be repaired and certified prior to water services being reactivated. The sanitary pipes repaired with epoxy will have a warranty of 40 years but we only have historical experience of some 20 years of installation.

CONCLUSIONS

In order to restore the aforementioned 57 units to pre closing condition the following work items must be completed. The aforementioned work should be feasible within the FEMA 50% rule. In the past the Town of Longboat Key has included all buildings on the property under the 50% rule, however the FEMA rule states that each building on a multi building property is treated as its own entity in value calculations. The value of each building is based upon the tax assessment or an independent appraisal minus land value. For example, the opinion of cost for the vice presidential unit is \$15,603.53. The tax assessment for the unit, according to Sarasota County is \$61,400.00 meaning work must be completed under \$31,200.00 for that unit to work within the FEMA 50% rule. It is the opinion of KEG that the latter interpretation of the rule be assumed and the value of all units in a building create the total value for each building, minus land. Because the Vagabond and the Castaways are located seaward of the GCBL a waiver form the Department of Environmental Protection (DEP) must be submitted for the building permit, these waivers can typically be received within 5 days of request. The next phase of the project is to have the opinion of cost verified by independent contractors to



create a project budget. Following completion of that phase construction documents will be generated and bids for the work will be solicited. Enclosed please find an opinion of probable construction costs outlining anticipated costs. The building-specific actions required to reoccupy the beach front units and Villas 1, 8, 10 and 18 include the following:

Beach, Lanai, Beachcomber, VP and Presidential Units and Castaway Units

- Termite and pest treatment is required at all units.
- Roof repairs to address water intrusion are required at all units except the Lanais.
- The air conditioning systems at all units, with the exception of Beach Unit 3, need to be reactivated. Condenser units may need to be replaced following activation.
- Drywall repairs at locations of water intrusion and framing repairs need to be completed at all units.
- Plumbing repairs of cast iron waste lines and copper water supply lines are very likely to be required when the plumbing system is reactivated. Smoke testing is recommended to locate repair locations prior to system reactivation.
- Repairs of the wooden walkways and stairs at the Beachcomber, Lanai, VP and Presidential Unit and Castaway units are required.
- Repair of wooden framing and sheathing due to water and termite damage is required at all units is required.
- Replacement of electrical panels is required.
- Entry door repair/replacement is required at the Lanais, Beachcomber and Castaway Units.
- Backflow prevention assemblies must be installed at each individually metered building.

Villas 1, 8, 10 and 18

- Termite and pest treatment is required at all units.
- The air conditioning systems at all units need to be reactivated. Some condenser units may need to be replaced.
- The hot water heaters at all units need to be replaced.
- Drywall repairs at locations of water intrusion and framing repairs are required.
- Plumbing repairs of cast iron waste lines and copper water supply lines are very likely to be required when the plumbing system is reactivated. Smoke testing is recommended to locate repair locations prior to system reactivation.



- Repair of wooden framing and sheathing due to water and termite damage is required at all units is required.
- Replacement of electrical panels is required.
- Repair and/or replacement of three unit balconies is required.
- Entry door repair/replacement is required at some units.
- Repairs to the elevated walkways and stairways are required.
- The exterior clothing washer and dryer units must be removed or replaced with units rated for exterior use.
- Fire rated barriers must be installed at the stairways above the clothing washer and dryer units.
- Backflow prevention assemblies must be installed at each individually metered building.

General Site

- Boundary fences must be installed to sequester areas of The Colony that are not open for occupancy. The attached opinion of cost give two option for the fencing, option A includes fencing installed around all buildings not being repaired; option B includes fencing installed at the side of the roadway throughout the property.
- Lettering needs to be installed and minor repairs need to be made at the entry sign.
- Landscaping is needed at the front entrance and throughout the property.
- Electrical repairs are required at the north side of the entrance.
- The gatehouse needs to be painted.
- Multiple pool repairs need to be completed and are outlined in the opinion of cost.
- The ferrous metal elements of the playground equipment need to be replaced.
- Repairs to the lift station must be completed and certified. In addition to the lift station repairs CCTV inspection of the underground mains and laterals is recommended to locate any existing voids in the piping.
- Exterior lighting bulbs need to be replaced and minor repairs need to be completed throughout the property.
- New signage is needed at the roadways in some locations.
- As per the Town of Longboat Key all outstanding utility balances must be paid prior to water service being restored. Note: Mr. Blake Fleetwood has provided us with communication



between himself and Town which indicates a more flexible policy might be applied to the outstanding water bills.



Figure 1: Evidence of Termite Infestation at Villa 10



Figure 2: Evidence of Vermin Infestation at the Beach Units



Figure 3: Entrance Sign



Figure 4: Guardhouse Roof

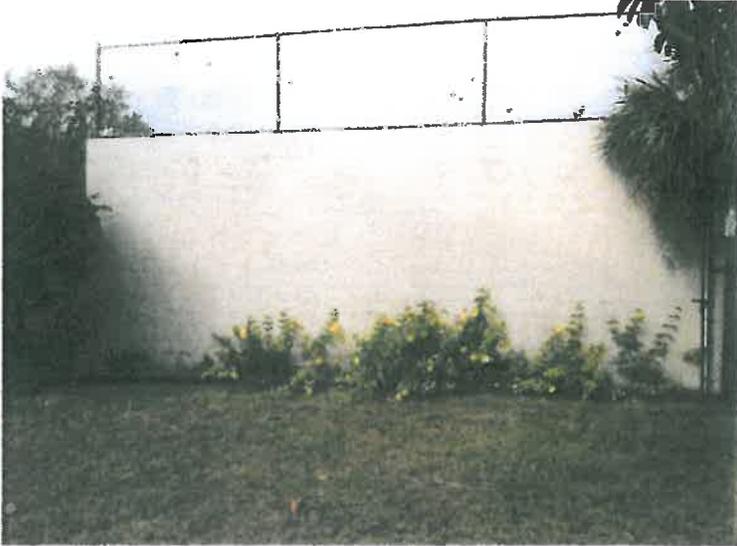


Figure 5: East Tennis Court Wall



Figure 6: Corroded Ferrous Metal Component of Playground



Figure 7: Lattice Behind Fitness Center



Figure 8: Restaurant from Pool Deck



Figure 9: Existing Sun Shades at Monkey Room

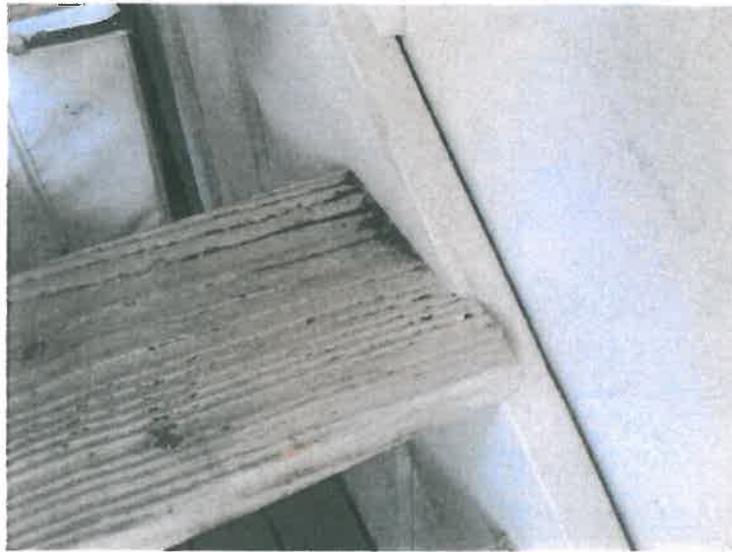


Figure 10: Evidence of Termite Infestation at Villa 10



Figure 11: Existing ITE Electrical Panel with Square D Components at Villa 18



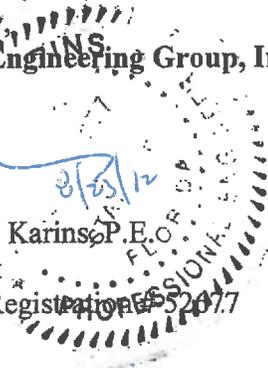
Figure 12: Existing Hot Water Heater Installed at Villa 8

KEG is available to assist in continuing the project and we look forward to a vibrant Colony Resort. We trust this information is helpful and thank you for the opportunity to be of service. Should questions arise, please do not hesitate to call.

Sincerely,
Karins Engineering Group, Inc.



David G. Karins, P.E.
President
Florida Registration # 52077



Nick Dunning, EI
Project Engineer



September 12, 2012

Dear Mayor & Commissioners;

As an owner of two units at the
Aquarius Club, located next door to
the Colony, I am in total agreement
with the letter you received from
the Board of Directors dated September 6, 2012.

Thank you for your consideration.

John W. Peltier

2012 SEP 17 AM 11:11
TOWN OF LONGBOAT KE
TOWN CLERK/ADD

AQUARIUS

C l u b

1701 Gulf of Mexico Drive
Longboat Key, FL 34228
941-383-4223 / Fax 941-923-0900

September 6, 2012

Longboat Key Town Commissioner
501 Bay Isles Road
Longboat Key, Fl. 34228-3196

Subject: Colony Tourism-Use Extension

Sent to each Commissioner via email

By way of re-introduction, this correspondence is written by unanimous consent from the 5 members of the Board of Directors of the Aquarius Club Condominium Association, 1701 Gulf of Mexico Drive, Longboat Key. The address is important in this matter in that we occupy the first building to the north of the Colony Beach & Tennis Resort.

We are aware the Commission has delayed a decision on the extension request made by Colony Association and will reconvene the discussion on September 24, 2012, at 9:00am. Please be advised our position that you reject the extension request remains firmly intact and exactly as stated in the correspondence we delivered to you on August 10, 2012. Nothing we heard in the September 4, 2012 Commission meeting provided us any comfort that forward progress has been made towards resolution. In fact the discussion by the Colony Association could easily be classified as more of the same when compared to the presentation they gave the Commission in March of this year. We were especially offended and dismayed when the Colony Association attorney suggested no one connected with the Colony Association was aware just how badly the property had deteriorated. This statement alone is a clear indication that they are not paying attention to their own property to the detriment of its neighbors. The development "plans" they verbalized were clearly cobbled together and not at all well thought out. How can any Commissioner believe this Association is capable of delivering a rehabbed, world-class resort after the past two performances in front of the Commission. We believe it is time to move this process in a different direction and the Commission holds the key. Stop the nonsense. Reject the extension. Enough is enough.

Inasmuch as we at Aquarius Club are a pragmatic lot, we recognize the Commission has a tough decision on its hands, and has clearly indicated it is leaning towards providing an extension. While we disagree with this leaning for all the reasons we have made public to date, we are sympathetic to the property rights of many innocent victims at the Colony. If the Commission is compelled to allow a further extension we strongly request that such extension is conditional on the Colony meeting time based performance milestones such as those suggested by the Longboat Key Building Dept. Our further thoughts in this regard are as follows:

PERFORMANCE MILESTONES

* Within 3 months of any extension the buildings must be made secure as dictated by the Building Department. Consideration has to be given to making sure loose boards, wood slats and roofing shingles are removed or tacked down such that they are not capable of blowing apart and littering nearby property. All entrances and windows must be secured to deter vagrancy. All outside

surfaces need to be kept graffiti free. The Building Department needs to commit to quarterly inspections and reports to ensure the property stays relatively safe through the entirety of the extension period. Any violations need to be corrected by Colony Association within 14 days.

* Landscape maintenance for the whole property needs to be performed every two weeks by a reputable contractor hired by Colony Association for the entirety of the extension period. Paid invoices need to be provided to the Commission as proof this requirement is being met.

* Beach maintenance needs to be performed every two weeks by a reputable contractor hired by Colony Association for the entirety of the extension period. Paid invoices need to be provided to the Commission as proof this requirement is being met.

* Pest and vermin control maintenance needs to be performed as required by a reputable contractor hired by Colony Association for the entirety of the extension period. Paid invoices need to be provided to the Commission as proof this requirement is being met.

* A private security patrol of the entire property needs to be performed by a reputable contractor hired by Colony Association for the entirety of the extension period. The patrol schedule should be randomly implemented and equate to not less than 120 hours per month. Paid invoices need to be provided to the Commission as proof this requirement is being met.

* A viable site plan, which meets all FEMA and local codes, must be delivered to the Commission within 9 months from the beginning of any extension.

* Quarterly reports from the attorneys representing each of the interested parties must be provided to the Commission stating what progress has been made in settlement negotiations during the preceding 90 days.

* All interested parties need to make a public progress presentation to the Commission every six months for the entirety of the extension period.

We believe you should institute a three-strike policy with regards to achievement of these milestones. Each of the first two violations should be met with a significant monetary penalty while the third would trigger an immediate discontinuance of the extension.

We are certain you have extraordinary leverage in this matter and hope you use it to once and for all move this process in a different direction. Providing another unconditional extension would be without question facilitating more of the same.

Should you want to discuss any part of this correspondence, or view the Colony property from our vantage point, please contact the Aquarius Club office at 383-4223.

Respectfully,

Aquarius Club Board of Director Members

Frank Morneau
Bob Boyd
David Marsh
Greg Van Howe
Maryanne Wade