

**REAL ESTATE
EXECUTIVE SUMMARY**

PROJECT: CERP North Lake Belt Project
COUNTY: Miami-Dade
PURPOSE: Second Amendment to Lease Agreement with Vecellio & Grogan, Inc., d/b/a White Rock Quarries ("White Rock"), and Amended and Restated Memorandum of Agreement between State of Florida (Trustees of the Internal Improvement Trust Fund of State of Florida), White Rock, and SFWMD
CONTRACT NO.: LS060920

REQUEST: Approval of Second Amendment to Lease Agreement, Contract No. LS060920, and Approval of an Amended and Restated Memorandum of Agreement ("Amended MOA").

CONSIDERATIONS: On April 12, 2006, SFWMD and White Rock entered into a Lease (Contract No. LS060920), as amended by Amendment No. 1, dated July 22, 2009, (collectively referred to as the "Lease") for White Rock to mine limestone on SFWMD-owned lands, lying in Sections 4 and 5, Township 52 South, Range 40 East, Miami-Dade County, Florida. See attached map. The term of the Lease is for ten (10) years, with the right to renew the Lease for three (3) additional terms of five (5) years each. The Lease contains essentially the same terms and conditions as the rockmining lease that the State of Florida (Trustees of the Internal Improvement Trust Fund of the State of Florida) entered into with White Rock on adjacent State-owned lands. The State took the lead on developing a lease with White Rock for rockmining of governmental lands and on seeking to consolidate ownerships with Sections 4 and 5 to maximize potential rockmining royalty revenues to the State and SFWMD and to facilitate a future Lake Belt project on such consolidated mined lands.

SFWMD and White Rock wish to amend the Lease to: (1) expand the legal description of leased lands to include a mitigation area of approximately 30 acres, more or less, as identified on the attached map, within which area White Rock will be allowed to remove exotic vegetation to comply with wetland mitigation requirements, (2) remove the contingency for the parties to enter into an Exchange Agreement, as nearby lands owned by SFWMD are no longer available and the parties have agreed not to pursue the land exchange, and (3) establish a more efficient royalty disbursement methodology based on SFWMD, the State of Florida, and White Rock percentage ownerships of lands to be mined within Sections 4 and 5, and (4) extend the deadline from December 31, 2010, to December 31, 2011, for satisfying Special Lease Conditions that must be met prior to White Rock commencing mining on the Leased property. The Special Lease Conditions include: (i) approval of the Amended Lease by United States Department of Interior, which provided grant funding for SFWMD acquisition of the lands to be leased, (ii) a similar amendment of the State of Florida Mining Lease with White Rock, and (iii) execution by SFWMD, the State of Florida, and White Rock of an Amended and Restated Memorandum of Agreement (Amended MOA).

The Amended MOA requires that upon completion of mining White Rock convey to the SFWMD, at no cost to the SFWMD, all lands within Section 5 presently-owned or controlled by White Rock or acquired in the future that have been mined. The Amended MOA also deletes the provision with regard to a land exchange between the parties. The conveyance of the projected approximately 130 acres of land by White Rock will facilitate a future CERP North Lake Belt Project in Sections 4 and 5.

FISCAL IMPACT: The Second Amendment to the Lease and Amended MOA preserve the existing royalty payment scheme that provides a substantial projected royalty revenue stream to SFWMD and the State of Florida of approximately \$107 Million over the life of the Lease.

RECOMMENDATION: That the Governing Board of the South Florida Water Management District approve a Resolution authorizing a Second Amendment to the Lease Agreement with Vecellio & Grogan, Inc., d/b/a White Rock Quarries, and authorizing entering into an Amended and Restated Memorandum of Agreement between the South Florida Water Management District, the State of Florida and Vecellio & Grogan, Inc., d/b/a White Rock Quarries.

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