

Dunes
Community Development District

November 12, 2021

Dunes Community Development District Agenda

Friday
November 12, 2021
9:30 a.m.

Dunes CDD Administrative Office
101 Jungle Hut Road
Palm Coast, Florida
<https://us02web.zoom.us/j/88600183363>
Call In # (929) 205-6099
Meeting ID # 886 0018 3363

- I. Roll Call & Agenda
- II. Minutes
 - A. Approval of the Minutes of the October 8, 2021 Meeting
- III. Audience Comments
- IV. Public Hearing for the Purpose of Adopting Chapters 1, 2 and 3 Rules
 - B. Chapter 1 – Rules of Procedure
 - C. Chapter 2 – Toll Facility and Transportation
 - D. Chapter 3 – Utility Rules
 - E. Resolution 2022-02, Adopting Amended and Restated Rules of Procedure; Adopting Toll Facility and Transportation System Rules; Adopting Utility Rules
- V. Reports and Discussion Items
 - F. Discussion on Stormwater Utility / Reclaimed Flow
 - G. Statutes / Rules Schematic
 - MalaCompra Drainage Discussion
 - Discussion on Capacity Fee Issues for Commercial Accounts
 - Oasis / Beach Walk / Lennar Homes Development Update
 - Investment Update

VI. Staff Reports

- Attorney

H. Engineer – Report

- Manager

I. Bridge Report for October

J. Additional Budget Items Report

VII. Supervisors' Requests and Audience Comments

VIII. Financial Reports

K. Balance Sheet & Income Statement

L. Assessment Receipts Schedule

M. Approval of Check Register

IX. Next Meeting Scheduled for December 10, 2021 @ 9:30 a.m. at the Dunes CDD
Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

X. Adjournment

A.

MINUTES OF MEETING
DUNES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Dunes Community Development District was held Friday, October 8, 2021, at 9:30 a.m. at the Dunes Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida.

Present and constituting a quorum were:

George DeGiovanni	Chairman
Gary Crahan	Vice Chairman
Rich DeMatteis	Assistant Secretary
Charles Swinburn	Assistant Secretary
Dennis Vohs	Treasurer

Also present were:

Greg Peugh	District Manager
Ernesto Torres	District Representative
Michael Chiumento	District Counsel
Dave Ponitz	District Engineer (via Zoom)
Sandy Ausbrooks	Bridge Manager (via Zoom)

The following is a summary of the discussions and actions taken at the October 8, 2021 meeting. An audio copy of the proceedings can be obtained by contacting the District Representative.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Torres called the meeting to order at 9:30 a.m.

SECOND ORDER OF BUSINESS

Minutes

A. Approval of the Minutes of the September 10, 2021 Meeting

Mr. Crahan and Mr. Swinburn provided corrections to the minutes, which will be included in the final version.

On MOTION by Mr. Vohs seconded by Mr. Crahan with all in favor the minutes of the September 10, 2021 meeting were approved as revised.

THIRD ORDER OF BUSINESS

Audience Comments

There were no members of the public present.

FOURTH ORDER OF BUSINESS

**Public Hearing for the Purpose of Adopting
Chapter 4 Stormwater Rules**

On MOTION by Mr. Crahan seconded by Mr. Vohs with all in favor the public hearing was opened.

There were no members of the public present.

On MOTION by Mr. DeMatteis seconded by Mr. Crahan with all in favor the public hearing was closed.

Mr. Crahan asked if Mr. Peugh had received any comments from the public regarding the rules and/or rates. Mr. Peugh responded that he had not.

B. Resolution 2022-01, Adopting Stormwater Utility Fees

Mr. Swinburn suggested adding an effective date to the rules, with that being the date that the rules are approved.

Mr. Crahan noted that Equivalent Residential Unit on Schedule D attached to the rules reads as if it is a rate that applies to a homeowner only and not a commercial unit due to the word residential. He suggested adding some language for clarification purposes.

On MOTION by Mr. DeMatteis seconded by Mr. Crahan with all in favor Resolution 2022-01 was approved subject to the revisions suggested above being made.

FIFTH ORDER OF BUSINESS

Reports and Discussion Items

C. Discussion on Chapters 1, 2 and 3 Rules

Mr. Peugh asked the Board if they had any additional changes to the Chapters 1, 2 and 3 rules. The Board members went over the rules in detail and any changes to be made are listed below.

In the Chapter 1 rules, Mr. Swinburn noted that the responsibilities of the Secretary are listed, but not so for the Assistant Secretaries. Mr. Peugh will add a statement in the rules that the Assistant Secretaries perform the duties of the Secretary in his or her absence.

Mr. Crahan proposed categorizing any policies and procedures that are adopted and reference them as addendums to the rules underneath which they fall.

Mr. Swinburn asked that the effective date be added to the Chapter 2 rules.

Mr. Crahan suggested cleaning up the stormwater related portion in the Chapter 3 rules given that there is now a set of rules dedicated to stormwater.

Mr. Peugh noted that he would like to memorialize agreements with Lowe and Northshore Hammock in the appendix of the rules.

D. Acceptance of 2021 Public Facilities Report

The Board reviewed the public facilities report. Mr. Peugh noted these reports are done by the District every year, however it's only required to be provided to the County every five years.

Mr. Swinburn suggested updating the stormwater utility discussion to reflect approval of the fees and rules for the stormwater management system.

On MOTION by Mr. Crahan seconded by Mr. DeMatteis with all in favor the 2021 public facilities report was accepted.

MalaComprá Drainage Discussion

Mr. Peugh informed the Board cleanup of the MalaComprá drainage ditch is scheduled to begin after trapping of the gopher tortoises and installation of silt fence. The County is currently in the process of obtaining quotes for the silt fence installation.

Discussion on Capacity Fee Issues for Commercial Accounts

Mr. Peugh informed the Board the Hammock Beach Resort was over their allowable water consumption capacity last month by 87,500 gallons due to two six-inch lines flooding.

Discussion on Stormwater Utility / Reclaimed Flow

There was no further discussion needed on the stormwater utility.

Regarding reclaimed flow, Mr. Peugh reminded the Board the contractor completed testing on the reclaim pump and staff is working with them on finding a pump replacement to be proposed to Palm Coast. In the meantime, the stormwater pump is being used more to keep the ponds up.

Oasis / Beach Walk / Lennar Homes Development Update

Mr. Peugh informed the Board that Oasis has responded to the comments sent after a review of their development plan and they have also sent a check in an incorrect amount for connection fees so there will either be a credit issued or the check will be sent back to be replaced by one in the correct amount. Mr. Peugh sent a letter to the County requesting no signs be placed by developers on Jungle Hut, to which the County was very amenable to. There is no update on the Lennar development.

Investment Update

Mr. Peugh informed the Board he spoke to Mike Holzem who is trying to partner with a bank that can accept the deposits. The issue at hand is the District would not see much more revenue with a bank than what is being received in the PRIME account, and the fees the banks charge are higher. Mr. Holzem is hoping to have more information after the first of the year.

SIXTH ORDER OF BUSINESS**Staff Reports****Attorney**

There being nothing to report, the next item followed.

E. Engineer - Report

A copy of Mr. Ponitz's report was included in the agenda package for the Board's review. Mr. Ponitz noted staff is working on the re-rating the wastewater treatment plant from 0.71 to .92 MGD. The Florida Dept. of Environmental Protection (FDEP) has issued a draft permit and that has been noticed in the Daytona Beach News Journal. The plant re-rating extends the life of the capacity of the wastewater treatment facility to meet the future needs of the community.

Manager**Bridge Report for September**

Mr. Peugh informed the Board that vehicle trips were up 6% and revenue was up about 8% from last year. For the yearly totals, revenues were over the projected budget by about \$74,000. Cash accounts make up 20% of the revenue and the bridge pass makes up about 80% of revenue.

4,600 loyalty card accounts were closed in the last week, which totaled almost \$12,000. Mr. Peugh will continue to track loyalty card purchases and revenue to monitor whether it's worth keeping the program. 740 bridge pass accounts were closed totaling about \$13,000. Mr. Peugh went on to report there are about 20,000 bridge pass accounts, 8,850 online users, 4,000 credit card users in the toll booth, and a little over 44,000 loyalty cards have been sold.

F. Additional Budget Items Report

Mr. Peugh informed the Board he would like to move forward with a fixed gateway meter reading system, which he believes will be a maximum of about \$87,000. The system would send a signal every 12 or 24 hours to the District's system allowing staff to monitor a leak remotely and would provide better customer service. A purchase order has been submitted for \$33,000 which includes everything needed to set the system up. Mr. DeGiovanni recommended including language in the purchase order that the system would be replaced if it does not work as intended.

On MOTION by Mr. DeGiovanni seconded by Mr. Crahan with all in favor the purchase order for the fixed gateway meter reading system in the amount of \$33,317 was approved.

The following item was taken out of order.

EIGHTH ORDER OF BUSINESS

Financial Reports

- G. Balance Sheet & Income Statement**
- H. Community Projects Schedule**
- I. Assessment Receipts Schedule**
- J. Approval of Check Register**

The Board review the financial statements, copies of which were included in the agenda package and made the below motion to approve the check register totaling \$547,338.01.

On MOTION by Mr. DeMatteis seconded by Mr. Swinburn with all in favor the check register was approved.

SEVENTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

There were no requests or comments from members of the public.

Supervisor Requests

Mr. Crahan stated that he received a complaint from a customer that they've spent a few thousand dollars due to what sounds like clogged filters. Mr. Peugh stated that some people install residential filters that are made for potable water, which are not the appropriate filters for the reclaimed water system, or some of the systems off the master meters are not flushed, which causes clogged sprinkler heads. He noted the District flushes their system monthly and does as much as possible to address any complaints.

NINTH ORDER OF BUSINESS

Next Meeting Scheduled for November 12, 2021 at 9:30 a.m. at the Dunes CDD Administrative Office, 101 Jungle Hut Road, Palm Coast, Florida

TENTH ORDER OF BUSINESS**Adjournment**

On MOTION by Mr. Vohs seconded by Mr. Swinburn with all in favor the meeting was adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman

B.

PROPOSED RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT

**CHAPTER 1
AMENDED AND RESTATED RULES OF PROCEDURE
DUNES COMMUNITY DEVELOPMENT DISTRICT**

EFFECTIVE AS OF NOVEMBER 12, 2021

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**PROPOSED RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT**

Rule 1.0 General.

- (1) The Dunes Community Development District (the “District”) was created pursuant to the provisions of Chapter 190 of the Florida Statutes, and was established to provide for the ownership, operation, maintenance, and provision of various capital facilities and services within its jurisdiction. The purpose of these rules (the “Rules”) is to describe the general operations of the District.
- (2) Definitions located within any section of these Rules shall be applicable within all other sections, unless specifically stated to the contrary.
- (3) Unless specifically permitted by a written agreement with the District, the District does not accept documents filed by electronic mail or facsimile transmission. Filings are only accepted during normal business hours.
- (4) A Rule of the District shall be effective upon adoption by affirmative vote of the District Board. After a Rule becomes effective, it may be repealed or amended only through the rulemaking procedures specified in these Rules. Notwithstanding, the District may immediately suspend the application of a Rule if the District determines that the Rule conflicts with Florida law. In the event that a Rule conflicts with Florida law and its application has not been suspended by the District, such Rule should be interpreted in the manner that best effectuates the intent of the Rule while also complying with Florida law. If the intent of the Rule absolutely cannot be effectuated while complying with Florida law, the Rule shall be automatically suspended.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.011(5), 190.011(15), Fla. Stat.

**PROPOSED RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT**

Rule 1.1 Board of Supervisors; Officers and Voting.

- (1) Board of Supervisors. The Board of Supervisors of the District (the “Board”) shall consist of five (5) members. Members of the Board (“Supervisors”) appointed by ordinance or rule or elected by landowners must be citizens of the United States of America and residents of the State of Florida. Supervisors elected or appointed by the Board to elector seats must be citizens of the United States of America, residents of the State of Florida and of the District and registered to vote with the Supervisor of Elections of the county in which the District is located and for those elected, shall also be qualified to run by the Supervisor of Elections. The Board shall exercise the powers granted to the District under Florida law.
 - (a) Supervisors shall hold office for the term specified by Section 190.006 of the Florida Statutes. If, during the term of office, any Board member(s) vacates their office, the remaining member(s) of the Board shall fill the vacancies by appointment for the remainder of the term(s). If three (3) or more vacancies exist at the same time, a quorum, as defined herein, shall not be required to appoint replacement Board members.
 - (b) Three (3) members of the Board shall constitute a quorum for the purposes of conducting business, exercising powers and all other purposes. A Board member shall be counted toward the quorum if physically present at the meeting, regardless of whether such Board member is prohibited from, or abstains from, participating in discussion or voting on a particular item.
 - (c) Action taken by the Board shall be upon a majority vote of the members present, unless otherwise provided in the Rules or required by law. Subject to Rule 1.3(10) “Participation by Teleconference/Videoconference”, a Board member participating in the Board meeting by teleconference or videoconference shall be entitled to vote and take all other action as though physically present.
 - (d) Unless otherwise provided for by an act of the Board, any one Board member may attend a mediation session on behalf of the Board. Any agreement resulting from such mediation session must be approved pursuant to subsection Rule 1.1(c) of this Rule.
- (2) Officers. At the first Board meeting held after each election where the newly elected members take office, the Board shall select a Chairperson, Vice-Chairperson, Secretary, Assistant Secretary, and Treasurer.
 - (a) The Chairperson must be a member of the Board. If the Chairperson resigns from that office or ceases to be a member of the Board, the Board shall select a Chairperson. The Chairperson serves at the pleasure of the Board. The Chairperson shall be authorized to execute resolutions and contracts on the District’s behalf. The Chairperson shall convene and

PROPOSED RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT

conduct all meetings of the Board. In the event the Chairperson is unable to attend a meeting, the Vice-Chairperson shall convene and conduct the meeting. The Chairperson or Vice-Chairperson may delegate the responsibility of conducting the meeting to the District's manager ("District Manager") or District Counsel, in whole or in part.

- (b) The Vice-Chairperson shall be a member of the Board and shall have such duties and responsibilities as specifically designated by the Board from time to time. The Vice-Chairperson has the authority to execute resolutions and contracts on the District's behalf in the absence of the Chairperson. If the Vice-Chairperson resigns from office or ceases to be a member of the Board, the Board shall select a Vice-Chairperson. The Vice-Chairperson serves at the pleasure of the Board.
- (c) The Secretary of the Board serves at the pleasure of the Board and need not be a member of the Board. The Secretary shall be responsible for maintaining the minutes of Board meetings and may have other duties assigned by the Board from time to time. An employee of the District Manager may serve as Secretary. In the absence of the Secretary an Assistant Secretary may serve in the Secretary's capacity.
- (d) The Treasurer need not be a member of the Board but must be a resident of the State of Florida. The Treasurer shall perform duties described in Section 190.007(2) and (3) of the Florida Statutes, as well as those assigned by the Board from time to time. The Treasurer shall serve at the pleasure of the Board.
- (e) In the event that both the Chairperson and Vice-Chairperson are absent from a Board meeting and a quorum is present, the Board may designate one of its members or a member of District staff to convene and conduct the meeting. In such circumstances, any of the Board members present are authorized to execute agreements, resolutions, and other documents approved by the Board at such meeting. In the event that the Chairperson and Vice-Chairperson are both unavailable to execute a document previously approved by the Board, the Secretary or any Assistant Secretary may execute such document.
- (f) The Board may assign additional duties to District officers from time to time, which include, but are not limited to, executing documents on behalf of the District.
- (g) The Chairperson, Vice-Chairperson, and any other person authorized by District Resolution may sign checks and warrants for the District, countersigned by the Treasurer or other persons authorized by the Board.

PROPOSED RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT

- (3) Committees. The Board may establish committees of the Board, either on a permanent or temporary basis, to perform specifically designated functions. Committees may include individuals who are not members of the Board. Such functions may include, but are not limited to, review of bids, proposals, and qualifications, contract negotiations, personnel matters, and budget preparation.
- (4) Record Book. The Board shall keep a permanent record book entitled "Record of Proceedings," in which shall be recorded minutes of all meetings, resolutions, proceedings, certificates, and corporate acts. The Records of Proceedings shall be located at a District office and shall be available for inspection by the public during regular business hours.
- (5) Meetings. For each fiscal year, the Board shall establish a schedule of regular meetings, which shall be published in a newspaper of general circulation in the county in which the District is located and filed with the local general-purpose governments within whose boundaries the District is located. All meetings of the Board and Committees serving an advisory function shall be open to the public in accord with the provisions of Chapter 286 of the Florida Statutes.
- (6) Voting Conflict of Interest. The Board shall comply with Section 112.3143 of the Florida Statutes, so as to ensure the proper disclosure of conflicts of interest on matters coming before the Board for a vote. For the purposes of this section, "voting conflict of interest" shall be governed by the Florida Constitution and Chapters 112 and 190 of the Florida Statutes, as amended from time to time. Generally, a voting conflict exists when a Board member is called upon to vote on an item which would inure to the Board member's special private gain or loss or the Board member knows would inure to the special private gain or loss of a principal by whom the Board member is retained, the parent organization or subsidiary of a corporate principal, a business associate, or a relative including only a father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law.
 - (a) When a Board member knows the member has a conflict of interest on a matter coming before the Board, the member should notify the Board's Secretary prior to participating in any discussion with the Board on the matter. The member shall publicly announce the conflict of interest at the meeting. This announcement shall appear in the minutes.

If the Board member was elected at a landowner's election or appointed to fill a vacancy of a seat last filled at a landowner's election, the Board member may vote or abstain from voting on the matter at issue. If the Board member was elected by electors residing within the District, the Board member is prohibited from voting on the matter at issue. In the event that the Board member intends to abstain or is prohibited from voting, such Board member shall not participate in the discussion on the item subject to the vote.

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The Board's Secretary shall prepare a Memorandum of Voting Conflict (Form 8B) which shall then be signed by the Board member, filed with the Board's Secretary, and provided for attachment to the minutes of the meeting within fifteen (15) days of the meeting.

- (b) If a Board member inadvertently votes on a matter and later learns he or she has a conflict on the matter, the member shall immediately notify the Board's Secretary. Within fifteen (15) days of the notification, the member shall file the appropriate Memorandum of Voting Conflict, which will be attached to the minutes of the Board meeting during which the vote on the matter occurred. The Memorandum of Voting Conflict shall immediately be provided to other Board members and shall be read publicly at the next meeting held subsequent to the filing of the Memorandum of Voting Conflict. The Board member's vote is unaffected by this filing.
- (c) It is not a conflict of interest for a Board member, the District Manager, or an employee of the District to be a stockholder, officer or employee of a landowner or of an entity affiliated with a landowner.
- (d) In the event that a Board member elected at a landowner's election or appointed to fill a vacancy of a seat last filled at a landowner's election, has a continuing conflict of interest, such Board member is permitted to file a Memorandum of Voting Conflict at any time in which it shall state the nature of the continuing conflict. Only one such continuing Memorandum of Voting Conflict shall be required to be filed for each term the Board member is in office.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 112.3143, 120.252, 190.006, 190.007, 286, Fla. Stat.

**PROPOSED RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT**

Rule 1.2 District Offices; Public Information and Inspection of Records; Policies; Service Contract Requirements; Financial Disclosure Coordination.

- (1) District Offices. Unless otherwise designated by the Board, the official District office shall be the District Manager's office identified by the District Manager. If the District Manager's office is not located within the county in which the District is located, the Board shall designate a local records office within such county which shall at a minimum contain, but not be limited to, the following documents:
- (a) Agenda packages for prior 24 months and next meeting;
 - (b) Official minutes of meetings, including adopted resolutions of the Board;
 - (c) Names and addresses of current Board members and District Manager, unless such addresses are protected from disclosure by law;
 - (d) Adopted engineer's reports;
 - (e) Adopted assessment methodologies/reports;
 - (f) Adopted disclosure of public financing;
 - (g) Limited Offering Memorandum for each financing undertaken by the District;
 - (h) Proceedings, certificates, bonds given by all employees, and any and all corporate acts;
 - (i) District policies and rules;
 - (j) Fiscal year end audits; and
 - (k) Adopted budget for the current fiscal year.

The District Manager shall ensure that each District records office contains the documents required by Florida law.

- (2) Public Records. District public records include all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received in connection with the transaction of official business of the District. All District public records not otherwise restricted by law may be copied or inspected at the District Manager's office during regular business hours. Certain District records can also be inspected and copied at the District's local records office during regular business hours. All written public records requests shall be directed to the Secretary who by these rules is appointed

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as the District's records custodian. Regardless of the form of the request, any Board member or staff member who receives a public records request shall immediately forward or communicate such request to the Secretary for coordination of a prompt response. The Secretary, after consulting with District Counsel as to the applicability of any exceptions under the public records laws, shall be responsible for responding to the public records request. At no time can the District be required to create records or summaries of records, or prepare opinions regarding District policies, in response to a public records request.

- (3) Service Contracts. Any contract for services, regardless of cost, shall include provisions required by law that require the contractor to comply with public records laws. The District Manager shall be responsible for initially enforcing all contract provisions related to a contractor's duty to comply with public records laws.
- (4) Fees; Copies. Copies of public records shall be made available to the requesting person during regular business hours at a charge of \$0.15 per page for one-sided copies and \$0.20 per page for two-sided copies if not more than 8 ½ by 14 inches. For copies of public records in excess of the sizes listed in this section and for outside duplication services, the charge shall be equal to the actual cost of reproduction. Certified copies of public records shall be made available at a charge of one dollar (\$1.00) per page. If the nature or volume of records requested requires extensive use of information technology resources or extensive clerical or supervisory assistance, the District may charge, in addition to the duplication charge, a special service charge that is based on the cost the District incurs to produce the records requested. This charge may include, but is not limited to, the cost of information technology resource, employee labor, and fees charged to the District by consultants employed in fulfilling the request. In cases where the special service charge is based in whole or in part on the costs incurred by the District due to employee labor, consultant fees, or other forms of labor, those portions of the charge shall be calculated based on the lowest labor cost of the individual(s) who is/are qualified to perform the labor, taking into account the nature or volume of the public records to be inspected or copied. The charge may include the labor costs of supervisory and/or clerical staff whose assistance is required to complete the records request, in accordance with Florida law. For purposes of this Rule 1.2, the word "extensive" shall mean that it will take more than 15 minutes to locate, review for confidential information, copy and re-file the requested material. In cases where extensive personnel time is determined by the District to be necessary to safeguard original records being inspected, the special service charge provided for in this section shall apply. If the total fees, including but not limited to special service charges, are anticipated to exceed twenty-five dollars (\$25.00), then, prior to commencing work on the request, the District will inform the person making the public records request of the estimated cost, with the understanding that the final cost may vary from that estimate. If the person making the public records request decides to proceed with the request, payment of the estimated cost is required in advance. Should the person fail to pay the

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estimate, the District is under no duty to produce the requested records. After the request has been fulfilled, additional payments or credits may be due. The District is under no duty to produce records in response to future records requests if the person making the request owes the District for past unpaid duplication charges, special service charges, or other required payments or credits.

- (5) Records Retention. The Secretary of the District shall be responsible for retaining the District's records in accordance with applicable Florida law.
- (6) Policies. The Board may adopt policies related to the conduct of its business and the provision of services either by resolution or motion.
- (7) Financial Disclosure Coordination. Unless specifically designated by Board resolution otherwise, the Secretary shall serve as the Financial Disclosure Coordinator ("Coordinator") for the District as required by the Florida Commission on Ethics ("Commission"). The Coordinator shall create, maintain and update a list of the names, e-mail addresses, physical addresses, and names of the agency of, and the office or position held by, all Supervisors and other persons required by Florida law to file a statement of financial interest due to his or her affiliation with the District ("Reporting Individual"). The Coordinator shall provide this list to the Commission by February 1 of each year, which list shall be current as of December 31 of the prior year. Each Supervisor and Reporting Individual shall promptly notify the Coordinator in writing if there are any changes to such person's name, e-mail address, or physical address. Each Supervisor and Reporting Individual shall promptly notify the Commission in the manner prescribed by the Commission if there are any changes to such person's e-mail address.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 112.31446(3), 112.3145(8)(a)1., 119.07, 119.0701, 120.525, 190.006, Fla. Stat.

**PROPOSED RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT**

Rule 1.3 Public Meetings, Hearings, and Workshops.

- (1) Notice. Except in emergencies, or as otherwise required by statute or these Rules, at least seven (7) days, but no more than thirty (30) days public notice shall be given of any public meeting, hearing or workshop of the Board. Public notice shall be given by publication in a newspaper of general circulation in the District and in the county in which the District is located. “General circulation” means a publication that is printed and published at least once a week for the preceding year, offering at least 25% of its words in the English language, qualifies as a periodicals material for postal purposes in the county in which the District is located, is for sale to the public generally, is available to the public generally for the publication of official or other notices, and is customarily containing information of a public character or of interest or of value to the residents or owners of property in the county where published, or of interest or of value to the general public. The annual meeting notice required to be published by Section 189.015 of the Florida Statutes, shall be published in a newspaper not of limited subject matter, which is published at least five (5) days a week, unless the only newspaper in the county is published less than five (5) days a week. Each Notice shall state, as applicable:
- (a) The date, time and place of the meeting, hearing or workshop;
 - (b) A brief description of the nature, subjects, and purposes of the meeting, hearing, or workshop;
 - (c) The District office address for the submission of requests for copies of the agenda, as well as a contact name and telephone number for verbal requests for copies of the agenda; and
 - (d) The following or substantially similar language: “Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (386) 445-9045. If you are hearing or speech impaired, please contact the Florida Relay Service at 1 (800) 955-8770 or 1 (800) 955-8771, who can aid you in contacting the District Office.”
 - (e) The following or substantially similar language: “A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.”

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- (f) The following or substantially similar language: “The meeting [or hearing or workshop] may be continued in progress without additional notice to a time, date, and location stated on the record.”
- (2) Mistake. In the event that a meeting is held under the incorrect assumption that notice required by law and these Rules has been given, the Board at its next properly noticed meeting shall cure such defect by considering the agenda items from the prior meeting individually and anew.
- (3) Agenda. The District Manager, under the guidance of District Counsel and the Chairperson or Vice-Chairperson, shall prepare an agenda of the meeting/hearing/workshop. The agenda and any meeting materials available in an electronic format, excluding any confidential and any confidential and exempt information, shall be available to the public at least seven (7) days before the meeting/hearing/workshop, except in an emergency. Meeting materials shall be defined as, and limited to, the agenda, meeting minutes, resolutions, and agreements of the District that District staff deems necessary for Board approval. Inclusion of additional materials for Board consideration other than those defined herein as “meeting materials” shall not convert such materials into “meeting materials.” For good cause, the agenda may be changed after it is first made available for distribution, and additional materials may be added or provided under separate cover at the meeting. The requirement of good cause shall be liberally construed to allow the District to efficiently conduct business and to avoid the expenses associated with special meetings.

The District may, but is not required to, use the following format in preparing its agenda for its regular meetings:

- Call to order
- Roll call
- Public comment
- Organizational matters
- Review of minutes
- Specific items of old business
- Specific items of new business
- Staff reports
 - (a) District Counsel
 - (b) District Engineer
 - (c) District Manager
 - 1. Financial Report
 - 2. Approval of Expenditures
- Supervisor’s requests and comments
- Public comment
- Adjournment

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- (4) Minutes. The Secretary shall be responsible for preparing and keeping the minutes of each meeting of the Board. Minutes shall be corrected and approved by the Board at a subsequent meeting. The Secretary may work with other staff members in preparing draft minutes for the Board's consideration.
- (5) Special Requests. Persons wishing to receive, by mail, notices or agendas of meetings, may so advise the District Manager or Secretary at the District Office. Such persons shall furnish a mailing address in writing and shall be required to pre-pay the cost of the copying and postage.
- (6) Emergency Meetings. The Chairperson, or Vice-Chairperson if the Chairperson is unavailable, upon consultation with the District Manager and District Counsel, if available, may convene an emergency meeting of the Board without first having complied with sections (1) and (3) of this Rule 1.3, to act on emergency matters that may affect the public health, safety, or welfare. Whenever possible, the District Manager shall make reasonable efforts to provide public notice and notify all Board members of an emergency meeting twenty-four (24) hours in advance. Reasonable efforts may include telephone notification. Notice of the emergency meeting must be provided both before and after the meeting on the District's website, if it has one. Whenever an emergency meeting is called, the District Manager shall be responsible for notifying at least one (1) newspaper of general circulation in the District. After an emergency meeting, the Board shall publish in a newspaper of general circulation in the District, the time, date and place of the emergency meeting, the reasons why an emergency meeting was necessary, and a description of the action taken. Actions taken at an emergency meeting may be ratified by the Board at a regularly noticed meeting subsequently held.
- (7) Public Comment. The Board shall set aside a reasonable amount of time at each meeting for public comment and members of the public shall be permitted to provide comment on any proposition before the Board. The portion of the meeting generally reserved for public comment shall be identified in the agenda. Policies governing public comment may be adopted by the Board in accordance with Florida law.
- (8) Budget Hearing. Notice of hearing on the annual budget(s) shall be in accord with Section 190.008 of the Florida Statutes. Once adopted in accord with Section 190.008 of the Florida Statutes, the annual budget(s) may be amended from time to time by action of the Board. Approval of invoices by the Board in excess of the funds allocated to a particular budgeted line item shall serve to amend the budgeted line item.
- (9) Public Hearings. Notice of required public hearings shall contain the information required by applicable Florida law and by these Rules applicable to meeting notices and shall be mailed and published as required by Florida law. The District Manager shall ensure that all such notices, whether mailed or published, contain the information required by Florida law and these Rules and are mailed and

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published as required by Florida law. Public hearings may be held during Board meetings when the agenda includes such public hearing.

- (10) Participation by Teleconference/Videoconference. District staff may participate in Board meetings by teleconference or videoconference. Board members may also participate in Board meetings by teleconference or videoconference if in the good judgment of the Board extraordinary circumstances exist; provided however, at least three (3) Board members must be physically present at the meeting location to establish a quorum. Such extraordinary circumstances shall be presumed when a Board member participates by teleconference or videoconference, unless a majority of the Board members physically present determines that extraordinary circumstances do not exist.
- (11) Board Authorization. The District has not adopted Robert's Rules of Order. For each agenda item, there shall be discussion permitted among the Board members during the meeting. Unless such procedure is waived by the Board, approval or disapproval of resolutions and other proposed Board actions shall be in the form of a motion by one Board member, a second by another Board member, and an affirmative vote by the majority of the Board members present. Any Board member, including the Chairperson, can make or second a motion.
- (12) Continuances. Any meeting or public hearing of the Board may be continued without re-notice or re-advertising provided that:
 - (a) The Board identifies on the record at the original meeting a reasonable need for a continuance;
 - (b) The continuance is to a specified date, time, and location publicly announced at the original meeting; and
 - (c) The public notice for the original meeting states that the meeting may be continued to a date and time and states that the date, time, and location of any continuance shall be publicly announced at the original meeting and posted at the District Office immediately following the original meeting.
- (13) Attorney-Client Sessions. An Attorney-Client Session is permitted when the District's attorneys deem it necessary to meet in private with the Board to discuss pending litigation to which the District is a party before a court or administrative agency or as may be authorized by law. The District's attorney must request such session at a public meeting. Prior to holding the Attorney-Client Session, the District must give reasonable public notice of the time and date of the session and the names of the persons anticipated to attend the session. The session must commence at an open meeting in which the Chairperson or Vice-Chairperson announces the commencement of the session, the estimated length of the session, and the names of the persons who will be attending the session. The discussion during the session is confined to settlement negotiations or strategy related to

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litigation expenses or as may be authorized by law. Only the Board, the District's attorneys (including outside counsel), the District Manager, and the court reporter may attend an Attorney-Client Session. During the session, no votes may be taken and no final decisions concerning settlement can be made. Upon the conclusion of the session, the public meeting is reopened, and the Chairperson or Vice-Chairperson must announce that the session has concluded. The session must be transcribed by a court-reporter and the transcript of the session filed with the District Secretary within a reasonable time after the session. The transcript shall not be available for public inspection until after the conclusion of the litigation.

- (14) Security and Firesafety Board Discussions. Portions of a meeting which relate to or would reveal a security or firesafety system plan or portion thereof made confidential and exempt by section 119.071(3)(a), Florida Statutes, are exempt from the public meeting requirements and other requirements of section 286.011, Florida Statutes, and section 24(b), Article 1 of the State Constitution. Should the Board wish to discuss such matters, members of the public shall be required to leave the meeting room during such discussion. Any records of the Board's discussion of such matters, including recordings or minutes, shall be maintained as confidential and exempt records in accordance with Florida law.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.071(3)(a), 189.069(2)(a)16, 190.006, 190.007, 190.008, 286.0105, 286.011, 286.0113, 286.0114, Fla. Stat.

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Rule 1.4 Internal Controls to Prevent Fraud, Waste and Abuse

- (1) Internal Controls. The District shall establish and maintain internal controls designed to:
- (a) Prevent and detect “fraud,” “waste” and “abuse” as those terms are defined in section 11.45(1), Florida Statutes; and
 - (b) Promote and encourage compliance with applicable laws, rules contracts, grant agreements, and best practices; and
 - (c) Support economical and efficient operations; and
 - (d) Ensure reliability of financial records and reports; and
 - (e) Safeguard assets.
- (2) Adoption. The internal controls to prevent fraud, waste and abuse shall be adopted and amended by the District in the same manner as District policies.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.
Law Implemented: § 218.33(3), Fla. Stat.

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Rule 2.0 Rulemaking Proceedings.

- (1) Commencement of Proceedings. Proceedings held for adoption, amendment, or repeal of a District rule shall be conducted according to these Rules. Rulemaking proceedings shall be deemed to have been initiated upon publication of notice by the District. A “rule” is a District statement of general applicability that implements, interprets, or prescribes law or policy, or describes the procedure or practice requirements of the District (“Rule”). Nothing herein shall be construed as requiring the District to consider or adopt rules unless required by Chapter 190 of the Florida Statutes. Policies adopted by the District which do not consist of rates, fees, rentals or other monetary charges may be, but are not required to be, implemented through rulemaking proceedings.
- (2) Notice of Rule Development.
 - (a) Except when the intended action is the repeal of a Rule, the District shall provide notice of the development of a proposed rule by publication of a Notice of Rule Development in a newspaper of general circulation in the District before providing notice of a proposed rule as required by section (3) of this Rule 2.0. Consequently, the Notice of Rule Development shall be published at least twenty-nine (29) days prior to the public hearing on the proposed Rule. The Notice of Rule Development shall indicate the subject area to be addressed by rule development, provide a short, plain explanation of the purpose and effect of the proposed rule, cite the specific legal authority for the proposed rule, and include a statement of how a person may promptly obtain, without cost, a copy of any preliminary draft, if available.
 - (b) All rules as drafted shall be consistent with Sections 120.54(1)(g) and 120.54(2)(b) of the Florida Statutes.
- (3) Notice of Proceedings and Proposed Rules.
 - (a) Prior to the adoption, amendment, or repeal of any rule other than an emergency rule, the District shall give notice of its intended action, setting forth a short, plain explanation of the purpose and effect of the proposed action, a reference to the specific rulemaking authority pursuant to which the rule is adopted, and a reference to the section or subsection of the Florida Statutes being implemented, interpreted, or made specific. The notice shall include a summary of the District’s statement of the estimated regulatory costs, if one has been prepared, based on the factors set forth in Section 120.541(2) of the Florida Statutes, and a statement that any person who wishes to provide the District with a lower cost regulatory alternative as provided by Section 120.541(1), Florida Statutes, must do so in writing within twenty-one (21) days after publication of the notice. The notice shall additionally include a statement that any affected person may request

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a public hearing by submitting a written request within twenty-one (21) days after the date of publication of the notice. Except when intended action is the repeal of a rule, the notice shall include a reference to both the date on which and the place where the Notice of Rule Development required by section (2) of this Rule 2.0 appeared.

- (b) The notice shall be published in a newspaper of general circulation in the District and each county in which the District is located not less than twenty-eight (28) days prior to the intended action. The proposed rule shall be available for inspection and copying during normal business hours by the public at the time of the publication of notice.
- (c) The notice shall be mailed to all persons named in the proposed rule and to all persons who, at least fourteen (14) days prior to such mailing, have made requests of the District for advance notice of its rulemaking proceedings. Any person may file a written request with the District Manager to receive notice by mail of District proceedings to adopt, amend, or repeal a rule. Such persons must furnish a mailing address and may be required to pay the cost of copying and mailing.
- (4) Rule Development Workshops. Whenever requested in writing by any affected person, the District must either conduct a rule development workshop prior to proposing rules for adoption or the Chairperson must explain in writing why a workshop is unnecessary. The District may initiate a rule development workshop but is not required to do so.
- (5) Petitions to Initiate Rulemaking. All Petitions to Initiate Rulemaking proceedings must contain the name, address, and telephone number of the petitioner, the specific action requested, the specific reason for adoption, amendment, or repeal, the date submitted, the text of the proposed rule, and the facts showing that the petitioner is regulated by the District or has a substantial interest in the rulemaking. Not later than sixty (60) calendar days following the date of filing a petition, the Board shall initiate rulemaking proceedings or deny the petition with a written statement of its reasons for the denial. If the petition is directed to an existing policy that the District has not formally adopted as a rule, the District may, in its discretion, notice and hold a public hearing on the petition to consider the comments of the public directed to the policy, its scope and application, and to consider whether the public interest is served adequately by the application of the policy on a case-by-case basis, as contrasted with its formal adoption as a rule. However, this section (5) of this Rule 2.0 shall not be construed as requiring the District to adopt a rule to replace a policy.
- (6) Rulemaking Materials. After the publication of the notice referenced in section (3) of this Rule 2.0, the Board shall make available for public inspection and shall provide, upon request and payment of the cost of copies, during normal business hours, the following materials:

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- (a) The text of the proposed rule, or any amendment or repeal of any existing rules;
 - (b) A detailed written statement of the facts and circumstances justifying the proposed rule;
 - (c) A copy of the statement of estimated regulatory costs if required by Section 120.541 of the Florida Statutes; and
 - (d) The published notice.
- (7) Hearing. The District may, or, upon the written request of any affected person received within twenty-one (21) days after the date of publication of the notice described in section (3) of this Rule 2.0, shall, provide a public hearing for the presentation of evidence, argument, and oral statements, within the reasonable conditions and limitations imposed by the District to avoid duplication, irrelevant comments, unnecessary delay, or disruption of the proceedings. The District shall publish notice of the public hearing in a newspaper of general circulation within the District either in the text of the notice described in section (3) of this Rule 2.0 or in a separate publication at least seven (7) days before the scheduled public hearing. The notice shall specify the date, time, and location of the public hearing, and the name, address, and telephone number of the District contact person who can provide information about the public hearing. Written statements may be submitted by any person prior to or at the public hearing. All timely submitted written statements shall be considered by the District and made part of the rulemaking record.
- (8) Emergency Rule Adoption. The Board may adopt an emergency rule if it finds that immediate danger to the public health, safety, or welfare exists which requires immediate action. Prior to the adoption of an emergency rule, the District Manager shall make reasonable efforts to notify a newspaper of general circulation in the District. Notice of emergency rules shall be published as soon as possible in a newspaper of general circulation in the District. The District may use any procedure which is fair under the circumstances in the adoption of an emergency rule as long as it protects the public interest as determined by the District and otherwise complies with these provisions.
- (9) Negotiated Rulemaking. The District may use negotiated rulemaking in developing and adopting rules pursuant to Section 120.54(2)(d) of the Florida Statutes, except that any notices required under Section 120.54(2)(d) of the Florida Statutes, may be published in a newspaper of general circulation in the county in which the District is located.
- (10) Rulemaking Record. In all rulemaking proceedings, the District shall compile and maintain a rulemaking record. The record shall include, if applicable:

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- (a) The texts of the proposed rule and the adopted rule;
 - (b) All notices given for a proposed rule;
 - (c) Any statement of estimated regulatory costs for the rule;
 - (d) A written summary of hearings, if any, on the proposed rule;
 - (e) All written comments received by the District and responses to those written comments; and
 - (f) All notices and findings pertaining to an emergency rule.
- (11) Petitions to Challenge Existing Rules.
- (a) Any person substantially affected by a rule may seek an administrative determination of the invalidity of the rule on the ground that the rule is an invalid exercise of the District's authority.
 - (b) The petition seeking an administrative determination must state with particularity the provisions alleged to be invalid with sufficient explanation of the facts or grounds for the alleged invalidity and facts sufficient to show that the person challenging a rule is substantially affected by it.
 - (c) The petition shall be filed with the District. Within ten (10) days after receiving the petition, the Chairperson shall, if the petition complies with the requirements of Rule 2.0 (11)(b), designate any member of the Board (including the Chairperson), District Manager, District Counsel, or other person as a hearing officer who shall conduct a hearing within thirty (30) days thereafter, unless the petition is withdrawn or a continuance is granted by agreement of the parties. The failure of the District to follow the applicable rulemaking procedures or requirements in this Rule shall be presumed to be material; however, the District may rebut this presumption by showing that the substantial interests of the petitioner and the fairness of the proceedings have not been impaired.
 - (d) Within thirty (30) days after the hearing, the hearing officer shall render a decision and state the reasons therefor in writing.
 - (e) Hearings held under Rule 2.0 shall be *de novo* in nature. The petitioner has a burden of proving by a preponderance of the evidence that the existing rule is an invalid exercise of District authority as to the objections raised. The hearing officer may:

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- (i) Administer oaths and affirmations;
 - (ii) Rule upon offers of proof and receive relevant evidence;
 - (iii) Regulate the course of the hearing, including any pre-hearing matters;
 - (iv) Enter orders; and
 - (v) Make or receive offers of settlement, stipulation, and adjustment.
 - (f) The petitioner and the District shall be adverse parties. Other substantially affected persons may join the proceedings as intervenors on appropriate terms which shall not unduly delay the proceedings.
- (12) Variances and Waivers. A “variance” means a decision by the District to grant a modification to all or part of the literal requirements of a rule to a person who is subject to the rule. A “waiver” means a decision by the District not to apply all or part of a rule to a person who is subject to the rule. Variances and waivers from District rules may be granted subject to the following:
- (a) Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person, and when application of the rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, "substantial hardship" means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.
 - (b) A person who is subject to regulation by a District Rule may file a petition with the District, requesting a variance or waiver from the District’s Rule. Each petition shall specify:
 - (i) The rule from which a variance or waiver is requested;
 - (ii) The type of action requested;
 - (iii) The specific facts that would justify a waiver or variance for the petitioner; and
 - (iv) The reason why the variance or the waiver requested would serve the purposes of the underlying statute.

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- (c) The District shall review the petition and may request only that information needed to clarify the petition or to answer new questions raised by or directly related to the petition. If the petitioner asserts that any request for additional information is not authorized by law or by Rule of the District, the District shall proceed, at the petitioner's written request, to process the petition.
 - (d) The Board shall grant or deny a petition for variance or waiver and shall announce such disposition at a publicly held meeting of the Board, within ninety (90) days after receipt of the original petition, the last item of timely requested additional material, or the petitioner's written request to finish processing the petition. The District's statement granting or denying the petition shall contain a statement of the relevant facts and reasons supporting the District's action.
- (13) Rates, Fees, Rentals and Other Charges. All rates, fees, rentals, or other charges shall be subject to rulemaking proceedings. Policies adopted by the District which do not consist of rates, fees, rentals or other charges may be, but are not required to be, implemented through rulemaking proceedings.

Specific Authority: §§ 190.011(5), 190.011(15), 190.035, Fla. Stat.

Law Implemented: §§ 120.54, 190.011(5), 190.035(2), Fla. Stat.

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Rule 3.0 Competitive Purchase.

- (1) Purpose and Scope. In order to comply with Sections 190.033(1) through (3), 287.055 and 287.017 of the Florida Statutes, the following provisions shall apply to the purchase of Professional Services, insurance, construction contracts, design-build services, goods, supplies, and materials, Contractual Services, and maintenance services.
- (2) Board Authorization. Except in cases of an Emergency Purchase, a competitive purchase governed by these Rules shall only be undertaken after authorization by the Board.
- (3) Definitions.
 - (a) “Competitive Solicitation” means a formal, advertised procurement process, other than an Invitation to Bid, Request for Proposals, or Invitation to Negotiate, approved by the Board to purchase commodities and/or services which affords vendors fair treatment in the competition for award of a District purchase contract.
 - (b) “Continuing Contract” means a contract for Professional Services entered into in accordance with Section 287.055 of the Florida Statutes, between the District and a firm, whereby the firm provides Professional Services to the District for projects in which the costs do not exceed two million dollars (\$2,000,000), for a study activity when the fee for such Professional Services to the District does not exceed two hundred thousand dollars (\$200,000), or for work of a specified nature as outlined in the contract with the District, with no time limitation except that the contract must provide a termination clause (for example, a contract for general District engineering services). Firms providing Professional Services under Continuing Contracts shall not be required to bid against one another.
 - (c) “Contractual Service” means the rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors. Contractual Services do not include auditing services, Maintenance Services, or Professional Services as defined in Section 287.055(2)(a) of the Florida Statutes, and these Rules. Contractual Services also do not include any contract for the furnishing of labor or materials for the construction, renovation, repair, modification, or demolition of any facility, building, portion of building, utility, park, parking lot, or structure or other improvement to real property entered into pursuant to Chapter 255 of the Florida Statutes, and Rules 3.5 or 3.6 of this Chapter I of the Rules of the District.

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- (d) “Design-Build Contract” means a single contract with a Design-Build Firm for the design and construction of a public construction project.
- (e) “Design-Build Firm” means a partnership, corporation or other legal entity that:
 - (i) Is certified under Section 489.119 of the Florida Statutes, to engage in contracting through a certified or registered general contractor or a certified or registered building contractor as the qualifying agent; or
 - (ii) Is certified under Section 471.023 of the Florida Statutes, to practice or to offer to practice engineering; certified under Section 481.219 of the Florida Statutes, to practice or to offer to practice architecture; or certified under Section 481.319 of the Florida Statutes, to practice or to offer to practice landscape architecture.
- (f) “Design Criteria Package” means concise, performance-oriented drawings or specifications for a public construction project. The purpose of the Design Criteria Package is to furnish sufficient information to permit Design-Build Firms to prepare a bid or a response to the District’s Request for Proposals, or to permit the District to enter into a negotiated Design-Build Contract. The Design Criteria Package must specify performance-based criteria for the public construction project, including the legal description of the site, survey information concerning the site, interior space requirements, material quality standards, schematic layouts and conceptual design criteria of the project, cost or budget estimates, design and construction schedules, site development requirements, provisions for utilities, stormwater retention and disposal, and parking requirements applicable to the project. Design Criteria Packages shall require firms to submit information regarding the qualifications, availability, and past work of the firms, including the partners and members thereof.
- (g) “Design Criteria Professional” means a firm who holds a current certificate of registration under Chapter 481 of the Florida Statutes, to practice architecture or landscape architecture, or a firm who holds a current certificate as a registered engineer under Chapter 471 of the Florida Statutes, to practice engineering, and who is employed by or under contract to the District to provide professional architect services, landscape architect services, or engineering services in connection with the preparation of the Design Criteria Package.
- (h) “Emergency Purchase” means a purchase necessitated by a sudden unexpected turn of events (for example, acts of God, riot, fires, floods, hurricanes, accidents, or any circumstances or cause beyond the control of the Board in the normal conduct of its business), where the Board finds

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that the delay incident to competitive purchase would be detrimental to the interests of the District. This includes, but is not limited to, instances where the time to competitively award the project will jeopardize the funding for the project, will materially increase the cost of the project, or will create an undue hardship on the public health, safety, or welfare. Furthermore, the Board has adopted certain criteria and limits via Resolution for Emergency Spending by the District Manager that the District Manager shall comply with. These criteria and limits may be amended from time to time by Board Resolution.

- (i) “Invitation to Bid” is a written solicitation for sealed bids with the title, date, and hour of the public bid opening designated specifically and defining the commodity or service involved. It includes printed instructions prescribing conditions for bidding, qualification, evaluation criteria, and provides for a manual signature of an authorized representative. It may include one or more bid alternates.
- (j) “Invitation to Negotiate” means a written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or services.
- (k) “Negotiate” means to conduct legitimate, arm’s length discussions and conferences to reach an agreement on a term or price.
- (l) “Professional Services” means those services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of Florida, or those services performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper, in connection with the firm's or individual's professional employment or practice.
- (m) “Proposal (or Reply or Response) Most Advantageous to the District” means, as determined in the sole discretion of the Board, the proposal, reply, or response that is:
 - (i) Submitted by a person or firm capable and qualified in all respects to perform fully the contract requirements, who has the integrity and reliability to assure good faith performance;
 - (ii) The most responsive to the Request for Proposals, Invitation to Negotiate, or Competitive Solicitation as determined by the Board; and
 - (iii) For a cost to the District deemed by the Board to be reasonable.

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- (n) “Purchase” means acquisition by sale, rent, lease, lease/purchase, or installment sale. It does not include transfer, sale, or exchange of goods, supplies, or materials between the District and any federal, state, regional or local governmental entity or political subdivision of the State of Florida.
- (o) “Request for Proposals” or “RFP” is a written solicitation for sealed proposals with the title, date, and hour of the public opening designated and requiring the manual signature of an authorized representative. It may provide general information, applicable laws and rules, statement of work, functional or general specifications, qualifications, proposal instructions, work detail analysis, and evaluation criteria as necessary.
- (p) “Responsive and Responsible Bidder” means an entity or individual that has submitted a bid that conforms in all material respects to the Invitation to Bid and has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance. “Responsive and Responsible Vendor” means an entity or individual that has submitted a proposal, reply, or response that conforms in all material respects to the Request for Proposals, Invitation to Negotiate, or Competitive Solicitation and has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance. In determining whether an entity or individual is a Responsive and Responsible Bidder (or Vendor), the District may consider, in addition to factors described in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, the following:
 - (i) The ability and adequacy of the professional personnel employed by the entity/individual;
 - (ii) The past performance of the entity/individual for the District and in other professional employment;
 - (iii) The willingness of the entity/individual to meet time and budget requirements;
 - (iv) The geographic location of the entity’s/individual’s headquarters or office in relation to the project;
 - (v) The recent, current, and projected workloads of the entity/individual;
 - (vi) The volume of work previously awarded to the entity/individual;

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- (vii) Whether the cost components of the bid or proposal are appropriately balanced; and
- (viii) Whether the entity/individual is a certified minority business enterprise.
- (q) “Responsive Bid,” “Responsive Proposal,” “Responsive Reply,” and “Responsive Response” all mean a bid, proposal, reply, or response which conforms in all material respects to the specifications and conditions in the Invitation to Bid, Request for Proposals, Invitations to Negotiate, or Competitive Solicitation document and these Rules, and the cost components of which, if any, are appropriately balanced. A bid, proposal, reply or response is not responsive if the person or firm submitting it fails to meet any material requirement relating to the qualifications, financial stability, or licensing of the bidder.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.033, 255.20, 287.017, 287.055, Fla. Stat.

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Rule 3.1 Procedure Under the Consultants' Competitive Negotiations Act.

- (1) Scope. The following procedures are adopted for the selection of firms or individuals to provide Professional Services exceeding the thresholds herein described, for the negotiation of such contracts, and to provide for protest of actions of the Board under this Rule. As used in this Rule, "Project" means that fixed capital outlay study or planning activity when basic construction cost is estimated by the District to exceed the threshold amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FIVE, or for a planning study activity when the fee for Professional Services is estimated by the District to exceed the threshold amount provided in Section 287.017 for CATEGORY TWO, as such categories may be amended or adjusted from time to time.
- (2) Qualifying Procedures. In order to be eligible to provide Professional Services to the District, a consultant must, at the time of receipt of the firm's qualification submittal:
 - (a) Hold all required applicable state professional licenses in good standing;
 - (b) Hold all required applicable federal licenses in good standing, if any;
 - (c) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the consultant is a corporation; and
 - (d) Meet any qualification requirements set forth in the District's Request for Qualifications.

Evidence of compliance with this Rule may be submitted with the qualifications, if requested by the District. In addition, evidence of compliance must be submitted any time requested by the District.
- (3) Public Announcement. Except in cases of valid public emergencies as certified by the Board, the District shall comply with Section 287.055 of the Florida Statutes for publication of notice when Professional Services are required for a Project or Continuing Contract. The Board has the right to reject any and all qualifications, and such reservation shall be included in the published notice. Consultants not receiving a contract award shall not be entitled to recover from the District any costs of qualification package preparation or submittal.
- (4) Competitive Selection.
 - (a) The District shall review and evaluate the data submitted in response to the notice described in section (3) of this Rule 3.1 regarding qualifications and performance ability, as well as any statements of qualifications on file. The District shall conduct discussions with and may require public

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presentation by consultants regarding their qualifications, approach to the Project, and ability to furnish the required services. The District shall then select and list the consultants, in order of preference, deemed to be the most highly capable and qualified to perform the required Professional Services, after considering these and other appropriate criteria:

- (i) The ability and adequacy of the professional personnel employed by each consultant;
 - (ii) Whether a consultant is a certified minority business enterprise;
 - (iii) Each consultant's past performance;
 - (iv) The willingness of each consultant to meet time and budget requirements;
 - (v) The geographic location of each consultant's headquarters, office and personnel in relation to the project;
 - (vi) The recent, current, and projected workloads of each consultant; and
 - (vii) The volume of work previously awarded to each consultant by the District.
- (b) Nothing in these Rules shall prevent the District from evaluating and eventually selecting a consultant if less than three (3) Responsive qualification packages, including packages indicating a desire not to provide Professional Services on a given Project, are received.
- (c) If the selection process is administered by any person or committee other than the full Board, the selection made will be presented to the full Board with a recommendation that competitive negotiations be instituted with the selected firms in order of preference listed.
- (d) Notice of the rankings adopted by the Board, including the rejection of some or all qualification packages, shall be provided in writing to all consultants by United States Mail, hand delivery, facsimile, or overnight delivery service or posted on the District Website. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's ranking decisions under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

(5) Competitive Negotiation.

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- (a) After the Board has authorized the beginning of competitive negotiations, the District may begin such negotiations with the firm listed as most qualified to perform the required Professional Services at a rate or amount of compensation which the District determines is fair, competitive, and reasonable.
- (b) In negotiating a lump-sum or cost-plus-a-fixed-fee professional contract for more than the threshold amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR, the firm receiving the award shall be required to execute a truth-in-negotiation certificate stating that "wage rates and other factual unit costs supporting the compensation are accurate, complete and current at the time of contracting." In addition, any professional service contract under which such a certificate is required, shall contain a provision that "the original contract price and any additions thereto, shall be adjusted to exclude any significant sums by which the District determines the contract price was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs."
- (c) Should the District be unable to negotiate a satisfactory agreement with the firm determined to be the most qualified at a price deemed by the District to be fair, competitive, and reasonable, then negotiations with that firm shall be terminated and the District shall immediately begin negotiations with the second most qualified firm. If a satisfactory agreement with the second firm cannot be reached, those negotiations shall be terminated and negotiations with the third most qualified firm shall be undertaken.
- (d) Should the District be unable to negotiate a satisfactory agreement with one of the top three (3) ranked consultants, additional firms shall be selected by the District, in order of their competence and qualifications. Negotiations shall continue, beginning with the first-named firm on the list, until an agreement is reached or the list of firms is exhausted.
- (6) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
- (7) Continuing Contract. Nothing in this Rule shall prohibit a Continuing Contract between a consultant and the District.
- (8) Emergency Purchase. The District may make an Emergency Purchase without complying with these Rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

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Law Implemented: §§ 119.0701, 190.011(3), 190.033, 287.055, Fla. Stat.

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Rule 3.2 Procedure Regarding Auditor Selection.

In order to comply with the requirements of Section 218.391 of the Florida Statutes, the following procedures are outlined for selection of firms or individuals to provide Auditing Services and for the negotiation of such contracts. For audits required under Chapter 190 of the Florida Statutes but not meeting the thresholds of Chapter 218 of the Florida Statutes, the District need not follow these procedures but may proceed with the selection of a firm or individual to provide Auditing Services and for the negotiation of such contracts in the manner the Board determines is in the best interests of the District.

(1) Definitions.

- (a) "Auditing Services" means those services within the scope of the practice of a certified public accounting firm licensed under Chapter 473 of the Florida Statutes, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.
- (b) "Committee" means the auditor selection committee appointed by the Board as described in section (2) of this Rule 3.2.

(2) Establishment of Auditor Selection Committee. Prior to a public announcement under section (4) of this Rule 3.2 that Auditing Services are required, the Board shall establish an auditor selection committee ("Committee"), the primary purpose of which is to assist the Board in selecting an auditor to conduct the annual financial audit required by Section 218.39 of the Florida Statutes. The Committee shall include at least three (3) individuals, at least one (1) of which must also be a member of the Board. The establishment and selection of the Committee must be conducted at a publicly noticed and held meeting of the Board. The Chairperson of the Committee must be a member of the Board. An employee, a chief executive officer, or a chief financial officer of the District may not serve as a member of the Committee; provided however such individual may serve the Committee in an advisory capacity.

(3) Establishment of Minimum Qualifications and Evaluation Criteria. Prior to a public announcement under section (4) of this Rule 3.2 that Auditing Services are required, the Committee shall meet at a publicly noticed meeting to establish minimum qualifications and factors to use for the evaluation of Auditing Services to be provided by a certified public accounting firm licensed under Chapter 473 of the Florida Statutes, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.

- (a) Minimum Qualifications. In order to be eligible to submit a proposal, a firm must, at all relevant times including the time of receipt of the proposal by the District:

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- (i) Hold all required applicable state professional licenses in good standing;
- (ii) Hold all required applicable federal licenses in good standing, if any;
- (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the proposer is a corporation; and
- (iv) Meet any pre-qualification requirements established by the Committee and set forth in the RFP or other specifications.

If requested in the RFP or other specifications, evidence of compliance with the minimum qualifications as established by the Committee must be submitted with the proposal.

- (b) Evaluation Criteria. The factors established for the evaluation of Auditing Services by the Committee shall include, but are not limited to:
 - (i) Ability of personnel;
 - (ii) Experience;
 - (iii) Ability to furnish the required services; and
 - (iv) Such other factors as may be determined by the Committee to be applicable to its particular requirements.

The Committee may also choose to consider compensation as a factor. If the Committee establishes compensation as one of the factors, compensation shall not be the sole or predominant factor used to evaluate proposals.

- (4) Public Announcement. After identifying the factors to be used in evaluating the proposals for Auditing Services as set forth in section (3) of this Rule 3.2, the Committee shall publicly announce the opportunity to provide Auditing Services. Such public announcement shall include a brief description of the audit and how interested firms can apply for consideration and obtain the RFP. The notice shall appear in at least one (1) newspaper of general circulation in the District and the county in which the District is located. The public announcement shall allow for at least seven (7) days for the submission of proposals.
- (5) Request for Proposals. The Committee shall provide interested firms with a Request for Proposals (“RFP”). The RFP shall provide information on how proposals are to be evaluated and such other information the Committee

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determines is necessary for the firm to prepare a proposal. The RFP shall state the time and place for submitting proposals.

- (6) Committee's Evaluation of Proposals and Recommendation. The Committee shall meet at a publicly held meeting that is publicly noticed for a reasonable time in advance of the meeting to evaluate all qualified proposals and may, as part of the evaluation, require that each interested firm provide a public presentation where the Committee may conduct discussions with the firm, and where the firm may present information, regarding the firm's qualifications. At the public meeting, the Committee shall rank and recommend in order of preference no fewer than three (3) firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to subsection (3)(b) of this Rule 3.2. If fewer than three (3) firms respond to the RFP or if no firms respond to the RFP, the Committee shall recommend such firm as it deems to be the most highly qualified. Notwithstanding the foregoing, the Committee may recommend that any and all proposals be rejected.
- (7) Board Selection of Auditor.
- (a) Where compensation was not selected as a factor used in evaluating the proposals, the Board shall negotiate with the firm ranked first and inquire of that firm as to the basis of compensation. If the Board is unable to negotiate a satisfactory agreement with the first ranked firm at a price deemed by the Board to be fair, competitive, and reasonable, then negotiations with that firm shall be terminated and the Board shall immediately begin negotiations with the second ranked firm. If a satisfactory agreement with the second ranked firm cannot be reached, those negotiations shall be terminated and negotiations with the third ranked firm shall be undertaken. The Board may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time. If the Board is unable to negotiate a satisfactory agreement with any of the selected firms, the Committee shall recommend additional firms in order of the firms' respective competence and qualifications. Negotiations shall continue, beginning with the first-named firm on the list, until an agreement is reached or the list of firms is exhausted.
- (b) Where compensation was selected as a factor used in evaluating the proposals, the Board shall select the highest-ranked qualified firm or document in its public records the reason for not selecting the highest-ranked qualified firm.
- (c) In negotiations with firms under this Rule, the Board may allow the District Manager, District Counsel, or other designee to conduct negotiations on its behalf.

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- (d) Notwithstanding the foregoing, the Board may reject any or all proposals. The Board shall not consider any proposal, or enter into any contract for Auditing Services, unless the proposed agreed-upon compensation is reasonable to satisfy the requirements of Section 218.39 of the Florida Statutes, and the needs of the District.
- (8) Contract. Any agreement reached under this Rule shall be evidenced by a written contract, which may take the form of an engagement letter signed and executed by both parties. The written contract shall include all provisions and conditions of the procurement of such services and shall include, at a minimum, the following:
 - (a) A provision specifying the services to be provided and fees or other compensation for such services;
 - (b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract;
 - (c) A provision setting forth deadlines for the auditor to submit a preliminary draft audit report to the District for review and to submit a final audit report no later than June 30 of the fiscal year that follows the fiscal year for which the audit is being conducted;
 - (d) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed. The maximum contract period including renewals shall be five (5) years. A renewal may be done without the use of the auditor selection procedures provided in this Rule but must be in writing.
 - (e) Provisions required by law that require the auditor to comply with public records laws.
- (9) Notice of Award. Once a negotiated agreement with a firm or individual is reached, or the Board authorizes the execution of an agreement with a firm where compensation was a factor in the evaluation of proposals, notice of the intent to award, including the rejection of some or all proposals, shall be provided in writing to all proposers by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests regarding the award of contracts under this Rule shall be as provided for in Rule 3.11. No proposer shall be entitled to recover any costs of proposal preparation or submittal from the District.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.
Law Implemented: §§ 119.0701, 218.33, 218.391, Fla. Stat.

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Rule 3.3 Purchase of Insurance.

- (1) Scope. The purchases of life, health, accident, hospitalization, legal expense, or annuity insurance, or all of any kinds of such insurance for the officers and employees of the District, and for health, accident, hospitalization, and legal expenses upon a group insurance plan by the District, shall be governed by this Rule 3.3. This Rule does not apply to the purchase of any other type of insurance by the District, including but not limited to liability insurance, property insurance, and directors and officers insurance. Nothing in this Rule shall require the District to purchase insurance.
- (2) Procedure. For a purchase of insurance within the scope of these Rules, the following procedure shall be followed:
 - (a) The Board shall cause to be prepared a Notice of Invitation to Bid.
 - (b) Notice of the Invitation to Bid shall be advertised at least once in a newspaper of general circulation within the District. The notice shall allow at least fourteen (14) days for submittal of bids.
 - (c) The District may maintain a list of persons interested in receiving notices of Invitations to Bid. The District shall make reasonable efforts to provide copies of any notices to such persons, but the failure to do so shall not give such consultants any bid protest or other rights or otherwise disqualify any otherwise valid procurement process.
 - (d) Bids shall be opened at the time and place noted in the Invitation to Bid.
 - (e) If only one (1) response to an Invitation is received, the District may proceed with the purchase. If no response to an Invitation to Bid is received, the District may take whatever steps are reasonably necessary in order to proceed with the purchase.
 - (f) The Board has the right to reject any and all bids and such reservations shall be included in all solicitations and advertisements.
 - (g) Simultaneously with the review of the submitted bids, the District may undertake negotiations with those companies that have submitted reasonable and timely bids and, in the opinion of the District, are fully qualified and capable of meeting all services and requirements. Bid responses shall be evaluated in accordance with the specifications and criteria contained in the Invitation to Bid; in addition, the total cost to the District, the cost, if any, to the District officers, employees, or their dependents, the geographic location of the company's headquarters and offices in relation to the District, and the ability of the company to guarantee premium stability may be considered. A contract to purchase

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insurance shall be awarded to that company whose response to the Invitation to Bid best meets the overall needs of the District, its officers, employees, and/or dependents.

- (h) Notice of the intent to award, including rejection of some or all bids, shall be provided in writing to all bidders by United States Mail, by hand delivery, or by overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's procurement of insurance under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: § 112.08, Fla. Stat.

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Rule 3.4 Pre-qualification

- (1) Scope. In its discretion, the District may undertake a pre-qualification process in accordance with this Rule 3.4 for vendors to provide construction services, goods, supplies, and materials, Contractual Services, and maintenance services.
- (2) Procedure. When the District seeks to pre-qualify vendors, the following procedures shall apply:
 - (a) The Board shall cause to be prepared a Request for Qualifications.
 - (b) For construction services exceeding the thresholds described in Section 255.20 of the Florida Statutes, the Board must advertise the proposed pre-qualification criteria and procedures and allow at least seven (7) days notice of the public hearing for comments on such pre-qualification criteria and procedures. At such public hearing, potential vendors may object to such pre-qualification criteria and procedures. Following such public hearing, the Board shall formally adopt pre-qualification criteria and procedures prior to the advertisement of the Request for Qualifications for construction services.
 - (c) The Request for Qualifications shall be advertised at least once in a newspaper of general circulation within the District and within the county in which the District is located. The notice shall allow at least seven (7) days for submittal of qualifications for goods, supplies and materials, Contractual Services, maintenance services, and construction services under two hundred fifty thousand dollars (\$250,000). The notice shall allow at least twenty-one (21) days for submittal of qualifications for construction services estimated to cost over two hundred fifty thousand dollars (\$250,000) and thirty (30) days for construction services estimated to cost over five hundred thousand dollars (\$500,000).
 - (d) The District may maintain lists of persons interested in receiving notices of Requests for Qualifications. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any pre-qualification determination or contract awarded in accordance with these Rules and shall not be a basis for a protest of any pre-qualification determination or contract award.
 - (e) If the District has pre-qualified vendors for a particular category of purchase, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies or

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responses in response to the applicable Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

- (f) In order to be eligible to submit qualifications, a firm or individual must, at the time of receipt of the qualifications:
 - (i) Hold all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;
 - (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the vendor is a corporation; and
 - (iv) Meet any special pre-qualification requirements set forth in the Request for Qualifications.

Evidence of compliance with these Rules must be submitted with the qualifications if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the qualifications.

- (g) Qualifications shall be presented to the Board, or a committee appointed by the Board, for evaluation in accordance with the Request for Qualifications and this Rule. Minor variations in the qualifications may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature.
- (h) All vendors determined by the District to meet the pre-qualification requirements shall be pre-qualified. To assure full understanding of the responsiveness to the requirements contained in a Request for Qualifications, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion and revision of qualifications. For construction services, any contractor pre-qualified and considered eligible by the Department of Transportation to bid to perform the type of work the project entails shall be presumed to be qualified to perform the project.
- (i) The Board shall have the right to reject all qualifications if there are not enough to be competitive or if rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of qualification preparation or submittal from the District.

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(j) Notice of intent to pre-qualify, including rejection of some or all qualifications, shall be provided in writing to all vendors by United States Mail, electronic mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's pre-qualification decisions under this Rule shall be in accordance with the procedures set forth in Rule 3.11; provided however, protests related to the pre-qualification criteria and procedures for construction services shall be resolved in accordance with section (2)(b) of this Rule 3.4 and Section 255.20(1)(b) of the Florida Statutes.

(3) Suspension, Revocation, or Denial of Qualification

(a) The District, for good cause, may deny, suspend, or revoke a prequalified vendor's pre-qualified status. A suspension, revocation, or denial for good cause shall prohibit the vendor from bidding on any District construction contract for which qualification is required, shall constitute a determination of non-responsibility to bid on any other District construction or maintenance contract, and shall prohibit the vendor from acting as a material supplier or subcontractor on any District contract or project during the period of suspension, revocation, or denial. Good cause shall include the following:

- i. One of the circumstances specified under Section 337.16(2), Fla. Stat., has occurred.
- ii. Affiliated contractors submitted more than one proposal for the same work. In this event the pre-qualified status of all of the affiliated bidders will be revoked, suspended, or denied. All bids of affiliated bidders will be rejected.
- iii. The vendor made or submitted false, deceptive, or fraudulent statements, certifications, or materials in any claim for payment or any information required by any District contract.
- iv. The vendor or its affiliate defaulted on any contract or a contract surety assumed control of financial responsibility for any contract of the vendor.
- v. The vendor's qualification to bid is suspended, revoked, or denied by any other public or semi-public entity, or the vendor has been the subject of a civil enforcement proceeding or settlement involving a public or semi-public entity.
- vi. The vendor failed to comply with contract or warranty requirements or failed to follow District direction in the performance of a contract.

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- vii. The vendor failed to timely furnish all contract documents required by the contract specifications, special provisions, or by any state or federal statutes or regulations. If the vendor fails to furnish any of the subject contract documents by the expiration of the period of suspension, revocation, or denial set forth above, the vendor's pre-qualified status shall remain suspended, revoked, or denied until the documents are furnished.
 - viii. The vendor failed to notify the District within 10 days of the vendor, or any of its affiliates, being declared in default or otherwise not completing work on a contract or being suspended from qualification to bid or denied qualification to bid by any other public or semi-public agency.
 - ix. The vendor did not pay its subcontractors or suppliers in a timely manner or in compliance with contract documents.
 - x. The vendor has demonstrated instances of poor or unsatisfactory performance, deficient management resulting in project delay, poor quality workmanship, a history of payment of liquidated damages, untimely completion of projects, uncooperative attitude, contract litigation, inflated claims or defaults.
 - xi. An affiliate of the vendor has previously been determined by the District to be non-responsible, and the specified period of suspension, revocation, denial, or non-responsibility remains in effect.
 - xii. The vendor or affiliate(s) has been convicted of a contract crime.
 - 1. The term "contract crime" means any violation of state or federal antitrust laws with respect to a public contract or any violation of any state or federal law involving fraud, bribery, collusion, conspiracy, or material misrepresentation with respect to a public contract.
 - 2. The term "convicted" or "conviction" means a finding of guilt or a conviction of a contract crime, with or without an adjudication of guilt, in any federal or state trial court of record as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
- (b) A denial, suspension, or revocation shall prohibit the vendor from being a subcontractor on District work during the period of denial, suspension, or revocation, except when a prime contractor's bid has used prices of a subcontractor who becomes disqualified after the bid, but before the request for authorization to sublet is presented.

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- (c) The District shall inform the vendor in writing of its intent to deny, suspend, or revoke its pre-qualified status and inform the vendor of its right to a hearing, the procedure which must be followed, and the applicable time limits. If a hearing is requested within ten (10) days after the receipt of the notice of intent, the hearing shall be held within thirty (30) days after receipt by the District of the request for the hearing. The decision shall be issued within fifteen (15) days after the hearing.
- (d) Such suspension or revocation shall not affect the vendor's obligations under any preexisting contract.
- (e) In the case of contract crimes, the vendor's pre-qualified status under this Rule 3.4 shall be revoked indefinitely. For all violations of Rule 3.4(3)(a) other than for the vendor's conviction for contract crimes, the revocation, denial, or suspension of a vendor's pre-qualified status under this Rule shall be for a specific period of time based on the seriousness of the deficiency.

Examples of factors affecting the seriousness of a deficiency are:

- i. Impacts on project schedule, cost, or quality of work;
- ii. Unsafe conditions allowed to exist;
- iii. Complaints from the public;
- iv. Delay or interference with the bidding process;
- v. The potential for repetition;
- vi. Integrity of the public contracting process;
- vii. Effect on the health, safety, and welfare of the public.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.033, 255.0525, 255.20, Fla. Stat.

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Rule 3.5 Construction Contracts, Not Design-Build.

- (1) Scope. All contracts for the construction or improvement of any building, structure, or other public construction works authorized by Chapter 190 of the Florida Statutes, the costs of which are estimated by the District in accordance with generally accepted cost accounting principles to be in excess of the threshold amount for applicability of Section 255.20 of the Florida Statutes, as that amount may be indexed or amended from time to time, shall be let under the terms of these Rules and the procedures of Section 255.20 of the Florida Statutes, as the same may be amended from time to time. A project shall not be divided solely to avoid the threshold bidding requirements.
- (2) Procedure. When a purchase of construction services is within the scope of this Rule 3.5, the following procedures shall apply:
 - (a) The Board shall cause to be prepared an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.
 - (b) Notice of the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be advertised at least once in a newspaper of general circulation in the District and in the county in which the District is located. The notice shall also include the amount of the bid bond, if one is required. The notice shall allow at least twenty-one (21) days for submittal of sealed bids, proposals, replies, or responses, unless the Board, for good cause, determines a shorter period of time is appropriate. Any project projected to cost more than five hundred thousand dollars (\$500,000) must be noticed at least thirty (30) days prior to the date for submittal of bids, proposals, replies, or responses. If the Board has previously pre-qualified contractors pursuant to Rule 3.4 and determined that only the contractors that have been pre-qualified will be permitted to submit bids, proposals, replies, and responses, the Notice of Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation need not be published. Instead, the Notice of Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be sent to the pre-qualified contractors by United States Mail, hand delivery, facsimile, or overnight delivery service.
 - (c) The District may maintain lists of persons interested in receiving notices of Invitations to Bid, Requests for Proposals, Invitations to Negotiate, and Competitive Solicitations. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.

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- (d) If the District has pre-qualified providers of construction services, then, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies, or responses to Invitations to Bid, Requests for Proposals, Invitations to Negotiate, and Competitive Solicitations.
- (e) In order to be eligible to submit a bid, proposal, reply, or response, a firm or individual must, at the time of receipt of the bids, proposals, replies, or responses:
 - (i) Hold all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;
 - (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the bidder is a corporation; and
 - (iv) Meet any special pre-qualification requirements set forth in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

Any contractor that has been found guilty by a court of any violation of federal labor or employment tax laws regarding subjects including but not limited to, reemployment assistance, safety, tax withholding, worker's compensation, unemployment tax, social security and Medicare tax, wage or hour, or prevailing rate laws within the past 5 years may be considered ineligible by the District to submit a bid, response, or proposal for a District project.

Evidence of compliance with these Rules must be submitted with the bid, proposal, reply, or response, if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the bid, proposal, reply, or response.

- (f) Bids, proposals, replies, and responses, or the portions of which that include the price, shall be publicly opened at a meeting noticed in accordance with Rule 1.3, and at which at least one district representative is present. The name of each bidder and the price submitted in the bid shall be announced at such meeting and shall be made available upon request. Minutes should be taken at the meeting and maintained by the District. Bids, proposals, replies, and responses shall be evaluated in

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accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation and these Rules. Minor variations in the bids, proposals, replies, or responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.

- (g) The lowest Responsive Bid submitted by a Responsive and Responsible Bidder in response to an Invitation to Bid shall be accepted. In relation to a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, the Board shall select the Responsive Proposal, Reply, or Response submitted by a Responsive and Responsible Vendor which is most advantageous to the District. To assure full understanding of the responsiveness to the solicitation requirements contained in a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, and responses.
- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No contractor shall be entitled to recover any costs of bid, proposal, response, or reply preparation or submittal from the District.
- (i) The Board may require potential contractors to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
- (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses, shall be provided in writing to all contractors by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's purchase of construction services under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

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- (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase construction services or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may proceed with the procurement of construction services, in the manner the Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the construction services without further competitive selection processes.
- (3) Sole Source; Government. Construction services that are only available from a single source are exempt from this Rule. Construction services provided by governmental agencies are exempt from this Rule. This Rule shall not apply to the purchase of construction services, which may include goods, supplies, or materials, that are purchased under a federal, state, or local government contract that has been competitively procured by such federal, state, or local government in a manner consistent with the material procurement requirements of these Rules. A contract for construction services is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process.
- (4) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
- (5) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board Meeting.
- (6) Exceptions. This Rule is inapplicable when:
 - (a) The project is undertaken as repair or maintenance of an existing public facility;
 - (b) The funding source of the project will be diminished or lost because the time required to competitively award the project after the funds become available exceeds the time within which the funding source must be spent;
 - (c) The District has competitively awarded a project and the contractor has abandoned the project or the District has terminated the contract; or
 - (d) The District, after public notice, conducts a public meeting under Section 286.011 of the Florida Statutes, and finds by a majority vote of the Board that it is in the public's best interest to perform the project using its own services, employees, and equipment.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 189.053, 190.033, 255.0518, 255.0525, 255.20, 287.055, Fla. Stat.

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Rule 3.6 Construction Contracts, Design-Build.

- (1) Scope. The District may utilize Design-Build Contracts for any public construction project for which the Board determines that use of such contract is in the best interest of the District. When letting a Design-Build Contract, the District shall use the following procedure:
- (2) Procedure.
 - (a) The District shall utilize a Design Criteria Professional meeting the requirements of Section 287.055(2)(k) of the Florida Statutes, when developing a Design Criteria Package, evaluating the proposals and qualifications submitted by Design-Build Firms, and determining compliance of the project construction with the Design Criteria Package. The Design Criteria Professional may be an employee of the District, may be the District Engineer selected by the District pursuant to Section 287.055 of the Florida Statutes, or may be retained pursuant to Rule 3.1. The Design Criteria Professional is not eligible to render services under a Design-Build Contract executed pursuant to the Design Criteria Package.
 - (b) A Design Criteria Package for the construction project shall be prepared and sealed by the Design Criteria Professional. If the project utilizes existing plans, the Design Criteria Professional shall create a Design Criteria Package by supplementing the plans with project specific requirements, if any.
 - (c) The Board may either choose to award the Design-Build Contract pursuant to the competitive proposal selection process set forth in Section 287.055(9) of the Florida Statutes, or pursuant to the qualifications-based selection process pursuant to Rule 3.1 of this Chapter I of the Rules of the District.
 - (i) Qualifications-Based Selection. If the process set forth in Rule 3.1 is utilized, subsequent to competitive negotiations, a guaranteed maximum price and guaranteed completion date shall be established.
 - (ii) Competitive Proposal-Based Selection. If the competitive proposal selection process is utilized, the Board, in consultation with the Design Criteria Professional, shall establish the criteria, standards and procedures for the evaluation of Design-Build Proposals based on price, technical, and design aspects of the project, weighted for the project. After a Design Criteria Package and the standards and procedures for evaluation of proposals have been developed, competitive proposals from qualified firms shall be solicited pursuant to the design criteria by the following procedure:

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1. A Request for Proposals shall be advertised at least once in a newspaper of general circulation in the county in which the District is located. The notice shall allow at least twenty-one (21) days for submittal of sealed proposals, unless the Board, for good cause, determines a shorter period of time is appropriate. Any project projected to cost more than five hundred thousand dollars (\$500,000) must be noticed at least thirty (30) days prior to the date for submittal of proposals.
2. The District may maintain lists of persons interested in receiving notices of Requests for Proposals. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule 3.6 and shall not be a basis for a protest of any contract award.
3. In order to be eligible to submit a proposal, a firm must, at the time of receipt of the proposals:
 - a. Hold the required applicable state professional licenses in good standing, as defined by Section 287.055(2)(h) of the Florida Statutes;
 - b. Hold all required applicable federal licenses in good standing, if any;
 - c. Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the proposer is a corporation;
 - d. Meet any special pre-qualification requirements set forth in the Request for Proposals and Design Criteria Package.

Any contractor that has been found guilty by a court of any violation of federal labor or employment tax laws regarding subjects including but not limited to reemployment assistance, safety, tax withholding, worker's compensation, unemployment tax, social security and Medicare tax, wage or hour, or prevailing rate laws within the past five (5)

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years may be considered ineligible by the District to submit a bid, response, or proposal for a District project.

Evidence of compliance with these Rules must be submitted with the proposal if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the proposal.

4. The proposals, or the portions of which that include the price, shall be publicly opened at a meeting noticed in accordance with Rule 1.3 of Chapter I of the Rules of the District and at which at least one district representative is present. The name of each bidder and the price submitted in the bid shall be announced at such meeting and shall be made available upon request. Minutes should be taken at the meeting and maintained by the District. In consultation with the Design Criteria Professional, the Board shall evaluate the proposals received based on evaluation criteria and procedures established prior to the solicitation of proposals, including but not limited to qualifications, availability, and past work of the firms and the partners and members thereof. The Board shall then select no fewer than three (3) Design-Build Firms as the most qualified.
5. The Board shall have the right to reject all proposals if the proposals are too high, or rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of proposal preparation or submittal from the District.
6. If less than three (3) Responsive Proposals are received, the District may purchase design-build services or may reject the proposals for lack of competitiveness. If no Responsive Proposals are received, the District may proceed with the procurement of design-build services in the manner the Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the design-build services without further competitive selection processes.
7. Notice of the rankings adopted by the Board, including the rejection of some or all proposals, shall be provided in writing to all consultants by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the

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Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's rankings under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

8. The Board shall negotiate a contract with the firm ranking the highest based on the evaluation standards and shall establish a price which the Board determines is fair, competitive and reasonable. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. The Board shall then undertake negotiations with the second most qualified firm, based on the ranking by the evaluation standards. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the second most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. The Board shall then undertake negotiations with the third most qualified firm. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the third most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. Should the Board be unable to negotiate a satisfactory contract with any of the selected firms, the Board shall select additional firms in order of their rankings based on the evaluation standards and continue negotiations until an agreement is reached or the list of firms is exhausted.
 9. After the Board contracts with a firm, the firm shall bring to the Board for approval, detailed working drawings of the project.
 10. The Design Criteria Professional shall evaluate the compliance of the detailed working drawings and project construction with the Design Criteria Package and shall provide the Board with a report of the same.
- (3) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
 - (4) Emergency Purchase. The Board may, in case of public emergency, declare an emergency and immediately proceed with negotiations with the best qualified

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Design-Build Firm available at the time. The fact that an Emergency Purchase has occurred shall be noted in the minutes of the next Board meeting.

- (5) Exceptions. This Rule is inapplicable when:
- (a) The project is undertaken as repair or maintenance of an existing public facility;
 - (b) The funding source of the project will be diminished or lost because the time required to competitively award the project after the funds become available exceeds the time within which the funding source must be spent;
 - (c) The District has competitively awarded a project and the contractor has abandoned the project or the District has terminated the contractor; or
 - (d) The District, after public notice, conducts a public meeting under Section 286.011 of the Florida Statutes, and finds by a majority vote of the Board that it is in the public's best interest to perform the project using its own services, employees, and equipment.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 189.053, 190.033, 255.0518, 255.0525, 255.20, 287.055, Fla. Stat.

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Rule 3.7 Payment and Performance Bonds.

- (1) Scope. This Rule shall apply to contracts for the construction of a public building, for the prosecution and completion of a public work, or for repairs upon a public building or public work and shall be construed in addition to terms prescribed by any other Rule that may also apply to such contracts.
- (2) Required Bond. Upon entering into a contract for any of the services described in section (1) of this Rule 3.7 in excess of \$200,000, the Board should require that the contractor, before commencing the work, execute and record a payment and performance bond in an amount equal to the contract price. Notwithstanding the terms of the contract or any other law, the District may not make payment to the contractor until the contractor has provided to the District a certified copy of the recorded bond.
- (3) Discretionary Bond. At the discretion of the Board, upon entering into a contract for any of the services described in section (1) of this Rule 3.7 for an amount not exceeding \$200,000, the contractor may be exempted from executing a payment and performance bond.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: § 255.05, Fla. Stat.

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Rule 3.8 Goods, Supplies, and Materials.

- (1) Purpose and Scope. All purchases of goods, supplies, or materials exceeding the amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR, shall be purchased under the terms of this Rule 3.8. Contracts for purchases of “goods, supplies, and materials” do not include printing, insurance, advertising, or legal notices. A contract involving goods, supplies, or materials plus maintenance services may, in the discretion of the Board, be treated as a contract for maintenance services. However, a purchase shall not be divided solely in order to avoid the threshold bidding requirements.
- (2) Procedure. When a purchase of goods, supplies, or materials is within the scope of this Rule 3.8, the following procedures shall apply:
 - (a) The Board shall cause to be prepared an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.
 - (b) Notice of the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be advertised at least once in a newspaper of general circulation within the District and within the county in which the District is located. The notice shall also include the amount of the bid bond, if one is required. The notice shall allow at least seven (7) days for submittal of bids, proposals, replies, or responses.
 - (c) The District may maintain lists of persons interested in receiving notices of Invitations to Bid, Requests for Proposals, Invitations to Negotiate, or Competitive Solicitations. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.
 - (d) If the District has pre-qualified suppliers of goods, supplies, and materials, then, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies, or responses.
 - (e) In order to be eligible to submit a bid, proposal, reply, or response, a firm or individual must, at the time of receipt of the bids, proposals, replies, or responses:
 - (i) Hold all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;

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- (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the vendor is a corporation; and
- (iv) Meet any special pre-qualification requirements set forth in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

Evidence of compliance with these Rules must be submitted with the bid, proposal, reply or response if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the bid, proposal, reply, or response.

Any firm or individual whose principal place of business is outside the State of Florida must also submit a written opinion of an attorney at law licensed to practice law in that foreign state, as to the preferences, if any or none, granted by the law of that foreign state to business entities whose principal places of business are in that foreign state, in the letting of any or all public contracts. Failure to submit such a written opinion or submission of a false or misleading written opinion may be grounds for rejection of the bid, proposal, reply, or response.

- (f) Bids, proposals, replies, and responses shall be publicly opened at the time and place noted on the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. Bids, proposals, replies, and responses shall be evaluated in accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, and this Rule. Minor variations in the bids, proposals, replies, or responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.
- (g) The lowest Responsive Bid, after taking into account the preferences provided for in this subsection, submitted by a Responsive and Responsible Bidder in response to an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be accepted. If the lowest Responsive Bid is submitted by a Responsive and Responsible Bidder whose principal place of business is located in a foreign state which does not grant a preference in competitive purchase to businesses whose principal place of business are in that foreign state, the

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lowest Responsible and Responsive Bidder whose principal place of business is in the State of Florida shall be awarded a preference of five (5) percent. If the lowest Responsive Bid is submitted by a Responsive and Responsible Bidder whose principal place of business is located in a foreign state which grants a preference in competitive purchase to businesses whose principal place of business are in that foreign state, the lowest Responsible and Responsive Bidder whose principal place of business is in the State of Florida shall be awarded a preference equal to the preference granted by such foreign state.

To assure full understanding of the responsiveness to the solicitation requirements contained in an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, and responses.

- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of bid, proposal, reply, or response preparation or submittal from the District.
- (i) The Board may require bidders and proposers to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
- (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses shall be provided in writing to all vendors by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's purchase of goods, supplies, and materials under this Rule shall be in accordance with the procedures set forth in Rule 3.11 of this Chapter I of the Rules of the District.
- (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase goods, supplies, or materials, or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may proceed with the procurement of goods, supplies, and materials, in the manner the Board determines is in the best

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interests of the District, which may include but is not limited to a direct purchase of the goods, supplies, and materials without further competitive selection processes.

- (3) Goods, Supplies, and Materials included in a Construction Contract Awarded Pursuant to Rule 3.5 or 3.6 of Chapter I of the Rules of the District. There may be occasions where the District has undergone the competitive purchase of construction services which contract may include the provision of goods, supplies, or materials. In that instance, the District may approve a change order to the contract and directly purchase the goods, supplies, and materials. Such purchase of goods, supplies, and materials deducted from a competitively purchased construction contract shall be exempt from this Rule.
- (4) Exemption. Goods, supplies, and materials that are only available from a single source are exempt from this Rule. Goods, supplies, and materials provided by governmental agencies are exempt from this Rule. A contract for goods, supplies, or materials is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process. This Rule shall not apply to the purchase of goods, supplies or materials that are purchased under a federal, state, or local government contract that has been competitively procured by such federal, state, or local government in a manner consistent with the material procurement requirements of these Rules.
- (5) Renewal. Contracts for the purchase of goods, supplies, and/or materials subject to this Rule may be renewed for a maximum period of five (5) years.
- (6) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 189.053, 190.033, 287.017, 287.084, Fla. Stat.

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Rule 3.9 Maintenance Services.

- (1) Scope. All contracts for maintenance of any District facility or project shall be set under the terms of this Rule 3.9 if the cost exceeds the amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR. A contract involving goods, supplies, and materials plus maintenance services may, in the discretion of the Board, be treated as a contract for maintenance services. However, a purchase shall not be divided solely in order to avoid the threshold bidding requirements.
- (2) Procedure. When a purchase of maintenance services is within the scope of this Rule 3.9, the following procedures shall apply:
 - (a) The Board shall cause to be prepared an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.
 - (b) Notice of the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation shall be advertised at least once in a newspaper of general circulation within the District and within the county in which the District is located. The notice shall also include the amount of the bid bond, if one is required. The notice shall allow at least seven (7) days for submittal of bids, proposals, replies, or responses.
 - (c) The District may maintain lists of persons interested in receiving notices of Invitations to Bid, Requests for Proposals, Invitations to Negotiate, and Competitive Solicitations. The District shall make a good faith effort to provide written notice, by electronic mail, United States Mail, hand delivery, or facsimile, to persons who provide their name and address to the District Manager for inclusion on the list. However, failure of a person to receive the notice shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.
 - (d) If the District has pre-qualified suppliers of maintenance services, then, at the option of the District, only those persons who have been pre-qualified will be eligible to submit bids, proposals, replies, and responses.
 - (e) In order to be eligible to submit a bid, proposal, reply, or response, a firm or individual must, at the time of receipt of the bids, proposals, replies, or responses:
 - (i) Hold all required applicable state professional licenses in good standing;
 - (ii) Hold all required applicable federal licenses in good standing, if any;

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- (iii) Hold a current and active Florida corporate charter or be authorized to do business in the State of Florida in accordance with Chapter 607 of the Florida Statutes, if the vendor is a corporation; and
- (iv) Meet any special pre-qualification requirements set forth in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation.

Evidence of compliance with these Rules must be submitted with the bid, proposal, reply, or response if required by the District. Failure to submit evidence of compliance when required may be grounds for rejection of the bid, proposal, reply, or response.

- (f) Bids, proposals, replies, and responses shall be publicly opened at the time and place noted on the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. Bids, proposals, replies, and responses shall be evaluated in accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, and these Rules. Minor variations in the bids, proposals, replies, and responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.
- (g) The lowest Responsive Bid submitted in response to an Invitation to Bid by a Responsive and Responsible Bidder shall be accepted. In relation to a Request for Proposals, Invitation to Negotiate or Competitive Solicitation the Board shall select the Responsive Proposal, Reply, or Response submitted by a Responsive and Responsible Vendor which is most advantageous to the District. To assure full understanding of the responsiveness to the solicitation requirements contained in a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, or responses.
- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No Vendor shall be

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entitled to recover any costs of bid, proposal, reply, or response preparation or submittal from the District.

- (i) The Board may require bidders and proposers to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
 - (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses shall be provided in writing to all vendors by United States Mail, hand delivery, facsimile, or overnight delivery service. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's procurement of maintenance services under this Rule shall be in accordance with the procedures set forth in Rule 3.11 of the Rules of the District.
 - (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase the maintenance services or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may proceed with the procurement of maintenance services, in the manner the Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the maintenance services without further competitive selection processes.
- (3) Exemptions. Maintenance services that are only available from a single source are exempt from this Rule. Maintenance services provided by governmental agencies are exempt from this Rule. A contract for maintenance services is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process.
- (4) Renewal. Contracts for the purchase of maintenance services subject to this Rule may be renewed for a maximum period of five (5) years.
- (5) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
- (6) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

Specific Authority: §§ 190.011(5), 190.011(15), 190.033, Fla. Stat.
Law Implemented: §§ 119.0701, 190.033, 287.017, Fla. Stat.

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Rule 3.10 Contractual Services.

- (1) Exemption from Competitive Purchase. Pursuant to Section 190.033(3) of the Florida Statutes, Contractual Services shall not be subject to competitive purchasing requirements. If an agreement is predominantly for Contractual Services, but also includes maintenance services or the purchase of goods and services, the contract shall not be subject to competitive purchasing requirements. Regardless of whether an advertisement or solicitation for Contractual Services is identified as an Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, no rights or remedies under these Rules, including but not limited to protest rights, are conferred on persons, firms, or vendors proposing to provide Contractual Services to the District.
- (2) Contracts; Public Records. In accordance with Florida law, each contract for Contractual Services shall include provisions required by law that require the contractor to comply with public records laws.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 119.0701, 190.011(3), 190.033, Fla. Stat.

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Rule 3.11 Protests with Respect to Proceedings under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, and 3.9.

The resolution of any protests with respect to proceedings under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, and 3.9 shall be in accordance with this Rule.

(1) Filing.

- (a) With respect to a protest regarding qualifications, specifications, documentation, or other requirements contained in a Request for Qualifications, Request for Proposals, Invitation to Bid, or Competitive Solicitation issued by the District, the notice of protest shall be filed in writing within seventy-two (72) calendar hours (excluding Saturdays, Sundays, and state holidays) after the first advertisement of the Request for Qualifications, Request for Proposals, Invitation to Bid, or Competitive Solicitation. A formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days (including Saturdays, Sundays, and state holidays) after the initial notice of protest was filed. For purposes of this Rule 3.11, wherever applicable, filing will be perfected and deemed to have occurred upon receipt by the District. Failure to file a notice of protest shall constitute a waiver of all rights to protest the District's intended decision. Failure to file a formal written protest shall constitute an abandonment of the protest proceedings and shall automatically terminate the protest proceedings.
- (b) Except for those situations covered by subsection (1)(a) of this Rule 3.11, any firm or person who is affected adversely by a District's ranking or intended award under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, or 3.9 and desires to contest the District's ranking or intended award, shall file with the District a written notice of protest within seventy-two (72) calendar hours (excluding Saturdays, Sundays, and state holidays) after receipt of the notice of the District's ranking or intended award. A formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days (including Saturdays, Sundays, and state holidays) after the initial notice of protest was filed. For purposes of this Rule 3.11, wherever applicable, filing will be perfected and deemed to have occurred upon receipt by the District. Failure to file a notice of protest shall constitute a waiver of all rights to protest the District's ranking or intended award. Failure to file a formal written protest shall constitute an abandonment of the protest proceedings and shall automatically terminate the protest proceedings.
- (c) If the requirement for the posting of a protest bond and the amount of the protest bond, which may be expressed by a percentage of the contract to be awarded or a set amount, is disclosed in the District's competitive solicitation documents for a particular purchase under Rules 3.1, 3.2, 3.3,

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3.4, 3.5, 3.6, 3.8, or 3.9, any person who files a notice of protest must post the protest bond. The amount of the protest bond shall be determined by District staff after consultation with the Board and within the limits, if any, imposed by Florida law. In the event the protest is successful, the protest bond shall be refunded to the protestor. In the event the protest is unsuccessful, the protest bond shall be applied towards the District's costs, expenses, and attorney's fees associated with hearing and defending the protest. In the event the protest is settled by mutual agreement of the parties, the protest bond shall be distributed as agreed to by the District and protestor.

- (d) The District does not accept documents filed by electronic mail or facsimile transmission. Filings are only accepted during normal business hours.
- (2) Contract Execution. Upon receipt of a notice of protest which has been timely filed, the District shall not execute the contract under protest until the subject of the protest is resolved. However, if the District sets forth in writing particular facts and circumstances showing that delay incident to protest proceedings will jeopardize the funding for the project, will materially increase the cost of the project, or will create an immediate and serious danger to the public health, safety, or welfare, the contract may be executed.
- (3) Informal Proceeding. If the Board determines a protest does not involve a disputed issue of material fact, the Board may, but is not obligated to, schedule an informal proceeding to consider the protest. Such informal proceeding shall be at a time and place determined by the Board. Notice of such proceeding shall be sent via facsimile, United States Mail, or hand delivery to the protestor and any substantially affected persons or parties not less than three (3) calendar days prior to such informal proceeding. Within thirty (30) calendar days following the informal proceeding, the Board shall issue a written decision setting forth the factual, legal, and policy grounds for its decision.
- (4) Formal Proceeding. If the Board determines a protest involves disputed issues of material fact or if the Board elects not to use the informal proceeding process provided for in section (3) of this Rule 3.11, the District shall schedule a formal hearing to resolve the protest. The Chairperson shall designate any member of the Board (including the Chairperson), District Manager, District Counsel, or other person as a hearing officer to conduct the hearing. The hearing officer may:
 - (a) Administer oaths and affirmations;
 - (b) Rule upon offers of proof and receive relevant evidence;
 - (c) Regulate the course of the hearing, including any pre-hearing matters;

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- (d) Enter orders; and
- (e) Make or receive offers of settlement, stipulation, and adjustment.

The hearing officer shall, within thirty (30) days after the hearing or receipt of the hearing transcript, whichever is later, file a recommended order which shall include a caption, time and place of hearing, appearances entered at the hearing, statement of the issues, findings of fact and conclusions of law, separately stated, and a recommendation for final District action. The District shall allow each party fifteen (15) days in which to submit written exceptions to the recommended order. The District shall issue a final order within sixty (60) days after the filing of the recommended order.

- (5) Intervenors. Other substantially affected persons may join the proceedings as intervenors on appropriate terms which shall not unduly delay the proceedings.
- (6) Rejection of all Qualifications, Bids, Proposals, Replies and Responses after Receipt of Notice of Protest. If the Board determines there was a violation of law, defect, or an irregularity in the competitive solicitation process, the Bids, Proposals, Replies, and Responses are too high, or if the Board determines it is otherwise in the District's best interest, the Board may reject all qualifications, bids, proposals, replies, and responses and start the competitive solicitation process anew. If the Board decides to reject all qualifications, bids, proposals, replies, and responses and start the competitive solicitation process anew, any pending protests shall automatically terminate.
- (7) Settlement. Nothing herein shall preclude the settlement of any protest under this Rule at any time.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.
Law Implemented: § 190.033, Fla. Stat.

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Rule 4.0 Effective Date.

These Rules of the District shall be effective November 12, 2021, except that no election of officers required by these Rules of the District shall be required until after the next regular election for the Board.

Specific Authority: §§ 190.011(5), 190.011(15), Fla. Stat.

Law Implemented: §§ 190.011(5), 190.011(15), Fla. Stat.

History: Adopted September 10, 1999. Revised November 12, 2021.

C.

**RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT**

**CHAPTER II
TOLL BRIDGE AND TRANSPORTATION SYSTEM REGULATIONS: ESTABLISHING
PROCEDURES, RATES AND CHARGES FOR TOLLING OPERATIONS AND
TRANSPORTATION SYSTEM MAINTENANCE**

EFFECTIVE AS OF NOVEMBER 12, 2021

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- 2.14 AMENDMENTS TO RATE SCHEDULE
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- 2.16 SEVERABILITY

RATE SCHEDULE ADOPTED - FORM A

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2.1 **PURPOSE.** The purpose of these Rules is to establish comprehensive regulations pertaining to the toll bridge and roadways owned and operated by the Dunes Community Development District (“District”); providing for and establishing rates and charges for the toll facility; providing definitions, including limitations and prohibited uses or practices; providing procedures for hearing disputes involving charges and discontinuation of service; providing for adjustments; providing an effective date.

2.2 **NECESSITY.** To establish uniform and comprehensive regulations pertaining to the toll bridge and roadways owned and operated by the District.

2.3 **DEFINITIONS.** The following terms and phrases, when used herein, shall have the meaning ascribed to them in this Section, except where the context clearly indicates a different meaning. Words used in the present terms shall include the future, and the singular number includes the plural, and the plural the singular.

2.3.1 **BOARD OF SUPERVISORS:** The governing board of the District, whose powers and authority are established by Chapter 190 of the Florida Statutes cited as the “Uniform Community Development District Act of 1980” (hereinafter, “Chapter 190”).

2.3.2 **CUSTOMER:** Any person, firm, association, corporation, governmental agency or similar organization supplied with the use of the toll bridge and roadways owned and operated by the District.

2.3.3 **DISTRICT:** The District as defined below in 2.3.8.

2.3.4 **DISTRICT MANAGER:** The manager of the District whose authority and responsibilities are established by Chapter 190 of the Florida Statutes and as may be prescribed by the Board of Supervisors.

2.3.5 **EASEMENTS:** Rights of ingress, egress, dedications, rights of way,

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conveyances or other property interests necessary or incidental to the installation, extension, repair, maintenance, construction or reconstruction of District's transportation system or any components thereof, over or upon customer's property.

2.3.6 ENGINEER: The appointed head of the Engineering Department of the District or his authorized representatives or a consulting engineering firm retained by the District to perform some or all duties of the engineer.

2.3.7 FINANCE DIRECTOR: The appointed head of Finance of the District, or his authorized representative. The Finance Director may also be the District Manager or his/her designee.

2.3.8 DUNES COMMUNITY DEVELOPMENT DISTRICT: A political subdivision of the State of Florida, created pursuant to Chapter 190 of the Florida Statutes.

2.3.9 RATE SCHEDULE: The schedule or schedules of rates or charges for the particular classification of service adopted and attached as Form A to this Chapter.

2.3.10 SERVICE: Shall be construed to include, in addition to all transportation systems by the customer the readiness and ability on the part of the District to furnish access to its transportation services including tolling facilities and vehicular as well as non-motorized transportation networks use for transportation purposes to the customer.

2.3.11 TERMS "SHALL" AND "MAY": As used herein, the word "may" is permissive, and the word "shall" is mandatory.

2.3.12 DUNES CDD TRANSPORTATION SYSTEM: Shall be defined as the Hammock Dunes Bridge over the Intra-coastal waterway, Hammock Dunes Parkway, Camino Del Mar from A1A easterly to the intersection of Hammock Dunes Parkway, together with any and all appurtenant facilities, approaches, and avenues of access.

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2.4 GENERAL POWERS.

2.4.1 DUNES CDD TRANSPORTATION SYSTEM: The District created and established by the provisions of this part is granted and shall have the right to acquire, hold, construct, improve, maintain, operate, own, and lease all or any part of the Dunes CDD Transportation System, hereinafter referred to as the “System.”

2.4.2 CONSTRUCT: It is the express intention of this part that the District, in the construction of the System, be authorized to construct any extensions, additions, or improvements to the System or appurtenant facilities, including all necessary approaches and avenues of access, with such changes, modifications, or revisions of the project as are deemed desirable and proper.

2.4.3 COLLECT TOLLS: To fix, alter, charge, establish, and collect tolls, rates, fees, rentals, and other charges for the services and facilities of the System, which tolls, rates, fees, rentals, and other charges must always be sufficient to comply with any covenants made with the holders of any bonds issued pursuant to this part.

2.4.4 BORROW: To borrow money and make and issue bonds.

2.4.5 CONTRACT: To make contracts of every name and nature and to execute all instruments necessary or convenient for the carrying on of its business, including entering into contracts for the services of consultants to perform planning, engineering, legal, or other appropriate services of a professional nature, subject to the requirements of applicable law.

2.4.6 APPLY FOR GRANTS: Without limitation of the foregoing, to borrow money and accept grants from, and to enter into contracts, including interlocal agreements, leases, or other transactions, with any federal agency, the state, or any political subdivision thereof, any agency of the state, County, or any other public body of the state,

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including pursuant to Florida Statute 348.973. For purposes of the foregoing, the District shall have the right to apply for, receive, and participate in, any and all grants, advances, and technical support provided by any federal agency or the department, the division, the county, or other political subdivision, agency, or instrumentality of the state to local governmental entities, special districts, expressway or transportation authorities, road and bridge districts, special road and bridge districts, metropolitan transportation authorities, and other public subdivisions, agencies, and instrumentalities of the state pursuant to the Florida Transportation Code, in connection with the State Highway System as outlined under §335 Fla. Stat. or otherwise.

2.4.7 PLEDGE: To pledge, hypothecate, or otherwise encumber all or any part of its receipts as security for all or any of the obligations of the District.

2.4.8 NECESSARY: To do all acts and things necessary or convenient for the conduct of its business and the general welfare of the District in order to carry out the powers granted to it by this part or any other law.

2.4.9 BONDS: Bonds may be issued on behalf of the System by the District.

2.4.10 WEBSITE: Maintain a website for payment and information with various terms and conditions.

2.5. APPLICATION FOR ACCOUNT SERVICE. Account Service shall be furnished only upon signed application accepted by District and the conditions of such application are binding upon the customer as well as upon the District. To obtain service, application shall be made at the District in the place or places designated by the District Manager. Applications are accepted by the District with the understanding that there is no obligation on the part of the District to render service other than that which is then available from its existing System. Application for service required by firms, partnerships, associations,

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corporations and others, shall be tendered only by duly authorized parties. When service is rendered under agreement or agreements entered into between the District and an agent of the principal, the use of such service by the principal shall constitute full and complete ratification by the principal of the agreement or agreements entered into between the District and an agent of the principal under which such service is rendered.

2.6 DETERMINATION OF APPLICABLE TOLL RATE: Effective immediately, the District will operate under various rate schedules adopted by the Board of Supervisors. The schedule or schedules of rates or charges for the particular classification of service adopted is attached as Form A to this Chapter. In accordance with §338.155(4), Fla. Stat., the toll rates will be posted at the Toll Bridge Office and the District's official website.

2.7 PAYMENT OF TOLL ON TOLL FACILITIES REQUIRED:

2.7.1 FAILURE TO PAY TOLL. In accordance with §316.1001, Fla. Stat., A person may not use any toll facility without payment of tolls, except as provided in §338.155, Fla. Stat. (and as further explained under 2.8 of these Rules). Failure to pay a prescribed toll is a noncriminal traffic infraction, punishable as a moving violation under Chapter 318, Fla. Stat.

2.7.2 ENFORCEMENT. For the purpose of enforcing this section, the District, defined as a "Governmental Entity" as defined under §334.03(11), Fla. Stat., which owns and operates a toll facility, by rule or ordinance, hereby authorizes a toll enforcement officer to issue a uniform traffic citation for a violation of this section of the Rules of the District. Toll enforcement officer means the designee of a governmental entity, such as the District, whose authority is to enforce the payment of tolls. The District may designate toll enforcement officers pursuant to §316.640, Fla. Stat. The District Manager shall

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designate the Bridge Manager and/or Assistant Bridge Manager or a specific employee as the toll enforcement officer(s) as approved by the Board. The toll enforcement officer shall enforce the collection of tolls pursuant to Florida law.

2.7.3 COMPLIANCE. The District shall adhere to the provisions and requirements as set forth under Chapter 316.1001, Fla. Stat. as it pertains to this section of the Rules of the District.

2.8 PAYMENT OF TOLL ON TOLL FACILITIES REQUIRED; EXEMPTIONS

2.8.1 EXEMPTIONS. In accordance with Florida Statute §338.155, a person may not use a toll facility without payment of tolls, except:

1. State military personnel while on official military business.
2. A person with a disability as defined under §338.155(3), Florida Statute and/or any disabled person as provided under the Beverly Chapman Act.
3. A person exempt from toll payment by the authorizing resolution for bonds issued to finance the facility.
4. A person exempt on a temporary basis where use of such toll facility is required as a detour route.
5. A law enforcement officer operating an official vehicle while on official law enforcement business.
6. A person operating a fire vehicle while on official business or a rescue vehicle while on official business.
7. A person participating in the funeral procession of a law enforcement officer or firefighter killed in the line of duty.

2.8.2 SUSPENSION OF TOLLS. The District Manager or the District Manager's

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designee may suspend the payment of tolls on a toll facility when necessary to implement with the following directives:

1. Assist in emergency evacuation.
2. Allow the use of such facilities by public transit vehicles or by vehicles participating in a funeral procession for an active-duty military service member.
3. Allow the use of an automobile or other vehicle belonging to the Department of Military Affairs used for transporting military personnel, stores, and property, when properly identified, shall, together with any such conveyance and military personnel and property of the state in his or her charge.
4. Allow a person with a disability who has a valid driver license, who operates a vehicle specially equipped for use by persons with disabilities as defined under Florida Statute §338.155(d).
5. The District may follow any directives from federal, state and local authorities as to the suspending of tolls in a natural disaster emergency.
6. Suspension of tolls can be established by the Board of Supervisors for a special event or any other event the Board of Supervisors deems appropriate.
7. The District Manager or his Designee may temporarily suspend tolls due to situations they deem appropriate.

2.8.3 NOTICE. A copy of §338.155, Fla. Stat., shall be posted at the Hammock Dunes Bridge.

2.8.4 NONCRIMINAL TRAFFIC INFRACTION. The failure to pay a prescribed toll shall be deemed a noncriminal traffic infraction and punishable in accordance with §318.18, Fla. Stat. and subject to payment collection and toll enforcement as authorized

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under chapters 316, 318, 320 and 322 of the Florida Statutes.

2.9 LIMITATIONS OF USE

2.9.1 PURPOSE. Tolls purchased from the District shall be used by the customer only for the purpose specified in the application for service.

2.9.2 RESTRICTIONS. The customer shall not sell or otherwise dispose of such use supplied by the District.

2.10 PROTECTION OF DISTRICT PROPERTY

2.10.1 It is the responsibility of every driver over the District's System to ensure all material/equipment is secured on its respective vehicles.

2.10.2 "Responsible Party" is defined as any person who operates and otherwise has control over a motor vehicle at the time of spilling of falling road debris while driving on the Hammock Dunes Bridge or any part of the Dunes CDD Transportation System.

2.10.3 It is the responsibility of the Responsible Party to insure it immediately reports any spilling or road debris or any other foreign materials on District Property to the Hammock Dunes Bridge Management at the following contact: Hammock Dunes Bridge Service Center located at the toll plaza.

2.10.4 In the event of any incident that causes damage to the District property, whether intentionally or negligently, the Responsible Party will be responsible for any and all expenses incurred for cleaning up any spills, debris or material left behind and shall be solely responsible for the cost of any and all property repairs.

2.11 **CONTINUITY OF SERVICE.** The District will at all times use reasonable diligence to provide continuous service, and having used reasonable diligence, shall not be liable

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to the customer for failure or interruption of continuous service. The District shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accident, litigations, breakdowns, shutdowns for repairs or adjustments, acts of sabotage, enemies of the United States, wars, governmental interference, acts of God or other causes beyond its control.

2.12 CUSTOMER REMOVAL FROM PROPERTY FOR ADVERSE ACTIONS.

2.12.1 Any customer verbally harassing a District employee or engaging in aggressive or abusive behavior will be asked to leave the property immediately by any Supervisor or Manager. Refusal of the customer to leave the property will prompt District personnel to contact local authorities. Any customer physically abusing any District employee will be subject to arrest and prosecution at the employee's request.

2.12.2 Aggressive or abusive behavior includes language (whether verbal or written) that may cause staff to objectively or subjectively feel afraid, threatened or abused and may include threats, personal verbal abuse, derogatory remarks and rudeness. Also, inflammatory statements, remarks of a discriminatory nature and unsubstantiated allegations are considered abusive behavior. Where a customer is aggressive or abusive, the District may proceed utilizing an array of remedies, including, but not limited to, the following:

- a. Advise the customer that the District considers their actions offensive, unnecessary and unhelpful and ask them to stop;
- b. Terminate telephone calls, cancel appointments, revoke meetings or withdraw any further interaction with the customer;

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- c. Terminate all direct contact with the customer;
- d. Notify the Flagler County Sheriff's Office or State Law Enforcement (This will always be the case if physical violence is used or threatened); and
- e. Take any other action the District considers appropriate under the circumstances.

2.13 TERMINATION OF SERVICE.

2.13.1 All tolling service shall be pursuant to proper permit or application; which procedure accords the District the opportunity to provide for orderly expansion of facilities and regulation thereof in a manner calculated to ensure continuous service to all customers. Inherent in this obligation is the governmental prerogative of necessity to terminate service which is adverse to the continuous, orderly and uninterrupted operation and maintenance of its tolling service. Accordingly, the District reserves the right by unilateral act and in its sole discretion, to refuse service, or to terminate service temporarily, or to discontinue service in all instances when conditions exist which would constitute an emergency of public concern, or when the providing of any service would constitute a threat to the safety, health or welfare of customers generally or a significant portion of the customer population.

2.13.2 When discontinuance or termination of service can be remedied by an act of the customer, District shall provide written notice of remedial action to the customer in order that service may be continued uninterrupted. The customer shall complete remedial action within ten (10) working business days after the District provides customer notice. Acts considered to be remedial by the customer, and for which service may be temporarily terminated, discontinued or interrupted are listed as follows:

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- a. Failure to pay for service as described in Section 14 under these Chapter II, Rules of the District.
- b. Failure of customer to meet provisions of agreements with the District.
- c. Use of service for any other property or purpose than described in the permit or application.
- d. When requested by customer, in which case resumption of service shall be accomplished in accordance with District policy as herein provided.

2.13.3 The District reserves the right by unilateral act and in its sole discretion to refuse service, terminate service temporarily, or to discontinue service without notice under the following circumstances:

- a. Causing, or allowing to exist, a hazardous condition with respect to the location, use of, or access to any tolling service or component.
- b. Alteration or modification of any transmission or tolling component or device used in providing any tolling service to the customer. Any such unauthorized use, if fraudulent, may result in criminal prosecution and may result in restitution of revenue lost to the District as a condition to restoration of service, including costs of repair or restoration of any tolling equipment or components to normal service condition, as shall be determined by District.
- c. Total or partial destruction of, or abandonment of, any structure, including any act for a duration which, in District's sole opinion, may create a hazardous or unsafe condition or constitute a nuisance. The

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District will be authorized to contact the Flagler County Sheriff's Office or any law enforcement agency as needed to investigate and eliminate the problem.

2.14 AMENDMENTS TO RATE SCHEDULE. The Rate schedule are attached hereto as Form A, being identified as: Toll Rates. This Rate Schedule may be amended from time to time by the Board of Supervisors in accordance with Chapter 190, Fla. Stat., and the contractual agreements of the District.

2.15 ROADWAYS.

2.15.1 PURPOSE. The following rules, regulations and procedures will serve as guidance when seeking to improve existing roadways or to develop new roadways that cross the District's land, lots and/or borders. It is intended that these rules and regulations will provide a uniform means for processing and approving requests or applications for construction, development, use and/or maintenance of District roadways.

2.15.2 DEFINITIONS.

2.15.2.(a) CONVEYANCE. See Grant.

2.15.2.(b) DEVELOPER. A party that improves land with labor and/or capital on behalf of and for the District.

2.15.2.(c) EASEMENT. Rights of ingress, egress, dedications, rights of way, conveyances or other property interests necessary or incidental to the installation, extension, repair, maintenance, construction or reconstruction of District's transportation system or any components thereof, over or upon customer's property.

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2.15.2.(d) FACILITIES. The District owns various forms of Facilities, such as its bridge and roadways, acquired to render actions, operations, or activities more manageable, practicable and easier for the intended user.

2.15.2.(e) GRANT. Differentiated from a mere license, a Grant passes interest to another in the lands of which it embraces and must be conveyed by an instrument in writing.

2.15.2.(f) IMPROVEMENTS. A valuable addition made to property or land or an enhancement in its condition, amounting to more than mere repairs or replacement of waste, which costs labor or capital, and which the District intends will enhance value and utility or to adapt it for new or further purpose.

2.15.2.(g) LICENSE. Permission by competent written evidence of authority accorded by the District conferring the right to do some act which without such authorization would be illegal, unauthorized or would be qualified as a trespass or tort.

2.15.2.(h) RIGHT OF WAY. The right of passage or of way imposed by law, by agreement or by virtue of which one has a right to pass.

2.15.2.(i) ROADWAY. A transportation corridor used for vehicular access, including but not limited to, ditches, spillways, clear areas, widenings for passage, etc.

2.15.2.(j) ROADWAY EASEMENT. A transportation corridor used for the construction, use and maintenance of Roadways within the District.

2.15.3 EASEMENTS, LICENSES AND RIGHTS OF WAY. As a

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prerequisite to the construction or installation of any Improvements proposed to be connected or associated to the Facilities of the District, the Developer must agree to Grant or Convey to the District all Easements, Licenses or Rights of way as may be required or necessary by the District as it may pertain or affect the proposed Facilities. The District, in its sole discretion, will consent or disapprove new Roadway construction.

2.15.4 PERMITS. If new Roadway construction or Improvements are approved by the District, Developer must obtain all necessary, required and obligatory permits, licenses, authorization, certifications, document or any other state or local authorities to commence construction Improvements. Developer shall be responsible for proper handling, management, maintenance and operation of labor to facilitate the Roadway Easements within the District. The Developer shall also be solely responsible to obtain all necessary documents for such Roadway Easements or Improvements such as survey, land documents, and lot or landowner written consent, if applicable. Roadways permitted under these rules and approved by the District shall be constructed using appropriate and recognized State and Federal accepted construction standards.

2.15.5 SATISFACTION. Any Grant or Conveyance as defined under 2.15.3 herein, must be in writing and in the form satisfactory to the District in its sole and exclusive discretion.

2.15.6 DEVELOPER'S LAND. Such Grant or Conveyance, when located on the property of the Developer, must be made without any cost, fees or expense to the District. District reserves the right to require such Easement, License or Right of way to the point at which the District deems appropriate, being the point at which the Facilities of District join with consumers.

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2.15.7 **FINALIZATION.** Such Easements, License and Right of way shall be Conveyed and accepted by the District upon completion, approval and acceptance of the work done by Developer. The District shall be held harmless for all permitted labor and activity within the Roadway Easement or Improvements.

2.16 **SEVERABILITY.** If any section, subsection, sentence, clause, phrase, or portion of this Rule is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Specific Authority: §§ 190.011(5); 190.011(15), 120.54, Fla. Stat.

Law Implemented: §§ 190.11, 190.012(d)1, 316, 316.640, 318, 318.14(12), 318.18, 318.18(7), 320, 322, 335, 338.155, 338.155, 338.155(4), 334.03, 334.03(11), 348.973, Fla. Stat.

Revisions:

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“FORM A”

RATE SCHEDULE*

Toll Rates –

CURRENT TOLL FEES as of October 1, 2012

All Vehicles One Way Trip:

2 axles.....	\$2.00
3 axles.....	\$3.00
4 axles.....	\$3.50
5+ axles.....	\$5.00

No toll in the westbound direction.

EXPRESSCARD & DECAL DISCOUNTS

ExpressCard Account holders with prepaid accounts receive discounted travel across the Hammock Dunes Bridge according to the following schedule:

2 axles.....	\$0.50
3 axles.....	\$0.75
4 axles.....	\$0.88
5+ axles.....	\$1.25

No toll in the westbound direction.

*Toll rates are subject to change.

The District may from time to time decide to implement promotional rates as it deems appropriate. The use of promotional programs such as the BridgePass Loyalty Card are completely at the District's discretion and are implemented and terminated by Board Action.

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Additional Fees –

The District reserves the right to impose a charge for ExpressCards, window decals and/or any form of device used to pay tolls to cross the Hammock Dunes Bridge. The fees would be according to the following schedule:

Personal/ Residential accounts – up to a total of six devices at no charge when the account is first opened. After the device limit is reached, additional devices would be charged a fee up to a maximum of \$5.00 per device.

Business/Corporate accounts – up to a total of ten devices at no charge when the account is first opened. After the device limit is reached, additional devices would be charged a fee up to a maximum of \$5.00 per device.

The District reserves the right to amend this fee at its discretion. Individual cases will be considered for extenuating circumstances.

[History: Adopted November 12, 2021.](#)

D.

**RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT**

**CHAPTER III
DCDD UTILITY RULES**

**WATER, WASTEWATER, STORMWATER AND EFFLUENT REGULATIONS:
ESTABLISHING RATES AND CHARGES FOR UTILITY SERVICE**

3.01 PURPOSE. The purpose of these Rules is to establish comprehensive regulations pertaining to water, wastewater and effluent utilities as well as stormwater facilities owned and operated by the District; providing for and establishing rates and charges for utility service, use or consumption by consumers within the District; providing provisions for extension of mains and services; providing definitions, including limitations and prohibited uses or practices; providing procedures for hearing disputes involving charges and disconnections; providing for adjustments; providing an effective date.

3.02 NECESSITY. To establish uniform and comprehensive regulations pertaining to water, wastewater and effluent utilities as well as stormwater facilities owned and operated by the District.

PART I

**GENERAL PROVISIONS AND DEFINITIONS APPLICABLE TO THE
DUNES COMMUNITY DEVELOPMENT DISTRICT**

WATER, WASTEWATER AND EFFLUENT SYSTEMS

SECTION 1. The Dunes Community Development District does hereby establish uniform policies and comprehensive rates, charges, and service schedules for its water, wastewater and effluent utility system as well as stormwater facilities affecting all consumers thereof.

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SECTION 3. DEFINITIONS: The following terms and phrases, when used herein, shall have the meaning ascribed to them in this Section, except where the context clearly indicates a different meaning. Words used in the present terms shall include the future, and the singular number includes the plural, and the plural the singular.

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3.1 **STANDBY (AVAILABILITY) FEE:** A fee established to defray the cost of the financing of the capital facilities for potable and irrigation water and effluent distribution lines and wastewater collection facilities.

3.2 **BACKFLOW:** The flow of water or other liquids, mixtures or substances under pressure into the distribution pipes of a potable water supply system from any source or sources other than its intended source.

3.3 **BACKFLOW PREVENTION DEVICE:** A backflow prevention device shall mean any effective device, method or construction used to prevent backflow into a potable water system.

3.4 **BOARD OF SUPERVISORS:** The governing board of the District, whose powers and authority are established by Chapter 190 of the Florida Statutes.

3.5 **CONNECTION FEES:** Those charges of the District required to be paid by a consumer or developer only in Phase I (Hammock Dunes), as a condition precedent to the interconnection of District's utility system with a consumer's property. Fees are as set forth in Section 4.f. of Schedule A herein.

3.6 **SYSTEM CAPACITY FEES:** Those charges of the District required to be paid by a consumer or developer in support of the District's capital facilities (distribution, collection, transmission and treatment systems) for its water, wastewater and effluent (reclaimed) irrigation water utilities. Fees are as set forth in Section 4.a. of Schedule A for each utility system per ERC, EIC or gallon of System Capacity required by the consumer or developer as determined herein by the District.

3.7 **CONSUMER:** Any person, firm, association, corporation, governmental agency

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or similar organization supplied with the availability of water, wastewater, and effluent service by District which term shall also include developers and large users.

3.8 CONSUMER INSTALLATION: All pipes, fixtures, meters, appurtenances of any kind and nature used in connection with or forming a part of an installation for utilizing water, wastewater and effluent services for any purpose, located on the consumers' side of "point of delivery", whether such installation is owned outright by a consumer or by contract, lease or otherwise.

3.9 DEVELOPER: Any person, corporation, or other legally recognized entity who engages in the business of making improvements to or upon real property located within the District as owner or legally constituted agent for the owner of such real property.

3.10 DISTRICT: The District as defined in 3.18.

3.11 DISTRICT MANAGER: The manager of the District whose authority and responsibilities are established by Chapter 190 of the Florida Statutes and as may be prescribed by the Board of Supervisors.

3.12 EASEMENTS: Rights of ingress, egress, dedications, rights of way, conveyances or other property interests necessary or incidental to the installation, extension, repair, maintenance, construction or reconstruction of District's utility system or any components thereof, over or upon consumer's property.

3.13 EFFLUENT: As used in these rules effluent is reclaimed water that has received at least secondary treatment and is subject to reuse after flowing out of a wastewater treatment facility.

3.14 EQUIVALENT IRRIGATION CONNECTION (EIC): 850 gallons per day of effluent irrigation water (reclaimed water).

3.15 ENGINEER: The appointed head of the Engineering Department of the District

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or his authorized representatives or a consulting engineering firm retained by the District to perform some or all duties of the engineer.

3.16 EQUIVALENT RESIDENTIAL CONNECTION (ERC): 250 gallons per day (gpd) for potable water service and 225 gallons per day (gpd) for wastewater service.

3.17 FINANCE DIRECTOR: The appointed head of Finance of the District, or his authorized representative. The Finance Director may also be the District Manager or his/her designee.

3.18 DUNES COMMUNITY DEVELOPMENT DISTRICT: A political subdivision of the State of Florida, created pursuant to Chapter 190 of the Florida Statutes.

3.19 MAIN: Shall refer to pipe, conduit or other facility installed to convey water, wastewater or effluent service from individual laterals or to other mains.

3.20 MINIMUM MONTHLY CHARGE: As shown on the applicable rate schedule, the base rate charged per month for provision of utility services to all consumers receiving service, which excludes all commodity charges.

3.20 OFF SITE FACILITIES: Those components of water distribution, effluent, and wastewater collection facilities located outside consumer's "property".

3.22 ON SITE FACILITIES: Those components of water distribution, effluent, and wastewater collection facilities located upon consumer's "property".

3.23 POINT OF DELIVERY: The point where the District pipes are connected with the pipes of the consumer. Unless otherwise indicated, point of delivery for water and effluent service shall be at the discharge side of the water or effluent meter. Unless otherwise indicated point of delivery for wastewater service shall be at the upstream connection of the clean-out which is placed at or about public right of way or utility easement. In the absence of a clean-out the point of delivery is at the wastewater lateral connection to the wastewater main of the

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District.

3.24 PROPERTY: The land or improvements upon land of which the consumer is owner or over which consumer has control either by contract or possessory interest sufficient to authorize consumer to make application for service, or adjacent right of way which services the land or site being developed. District may require proof of such interest prior to the furnishing of service by copy of instrument of conveyance, contract or appropriate verified statement contained in the application for service.

3.25 RATE SCHEDULE: The schedule or schedules of rates or charges for the particular classification of service.

3.26 SERVICE: Shall be construed to include, in addition to all water, wastewater and effluent utilities required by the consumer the readiness and ability on the part of the District to furnish water, wastewater and effluent services including effluent use for irrigation purposes to the consumer.

3.27 SERVICE OR LATERAL LINES: Those pipes of the District that connect to consumer's lines.

3.28 SETTLEMENT OF ACCOUNT: That point in time in which the customer has satisfied all outstanding fees and charges billed for utility service and has notified the District that he is no longer a resident, owner or user of the District's utility system

3.29 SYSTEM CONTRIBUTION: As used in Schedule A, "system contribution" for purposes of meter fee calculation shall be calculated by subtracting the actual costs of installing the meter (labor, parts, materials) from the 5/8" meter fee listed in Section 4.d. of Schedule A.

3.30 TERMS "SHALL" AND "MAY": As used herein, the word "may" is permissive, and the word "shall" is mandatory.

3.31 UTILITY SYSTEM: As used herein, refers to the District's water production and

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distribution, wastewater collection, treatment and transmission systems, effluent filtration, storage and distribution systems and any component parts thereof.

3.32 STORMWATER SYSTEM: As used herein, refers to the District's stormwater collection, conveyance, storage, treatment and disposal system and any component parts thereof.

SECTION 4. GENERAL:

4.1 It is the policy of the District and the requirements of this rule that there is not permitted the individual installation and use of any private wells or septic tanks without the express written consent of the District.

4.2 Consumer is advised that as part of the District's utility system there may be a separate effluent distribution line. To the extent permitted by law and consistent with the public health, each consumer is required to utilize the District's utility system including the effluent distribution facilities and to take proper caution to ensure that there is not permitted a cross connect between the effluent lines and the potable water service line. The availability of effluent may vary from time to time based on a number of factors. Nothing herein shall be construed to require the District to provide effluent for irrigation purposes. Potable water irrigation is available only where effluent is not. Prior to the connection of the effluent and potable service lines to each residential or commercial consumer the Utility Manager shall be notified 24 hours prior to such connection so that an inspection can be made. No connection shall be made without inspection and approval by the District Manager or his Designee. In accordance with the District's Cross Connection Control Program and Department of Environmental Protection Standards, the installation and use of backflow prevention devices may be required. The District shall be responsible for installation of Residential Backflow Preventors only as is necessary. Charges for installation shall be imposed in accordance with Section 9 of these rules.

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These regulations apply without modification or change to each and every consumer to whom the District renders service. Nothing contained in this Rule prohibits the District from entering into agreements with developers to provide for the orderly and timely provision of service.

SECTION 5. CALCULATION OF EQUIVALENT IRRIGATION CONNECTIONS: For all new connections platted single family lots, subdivisions served by a master effluent meter, multi-story, common or commercial areas Equivalent Irrigation Connections (EIC) shall be calculated by measuring the surface area to be irrigated, calculating the total flow for the irrigated area based upon an application rate of 0.78" per week, and dividing by 850 gallons per day (gpd).

SECTION 6. CALCULATION OF SYSTEM CAPACITY FEES: The District requires that all Consumers or Developers pay a System Capacity Fee based on a pro rata share of the cost of the District's water, wastewater and reclaimed irrigation water infrastructure utilized to serve Consumer or Developer's existing or future facilities. System Capacity Fees are based upon the estimated daily flow of the Consumer's existing or proposed installations. System Capacity Fees are computed by multiplying the charges per ERC, EIC or gallon set forth in the applicable rate schedule by the estimated daily flow determined by the District according to: (i) the District's review of the consumer's engineering design information; (ii) the reasonable estimated usage based on standards set forth in the Florida Administrative Code Rule 64E-6.008 which is herein adopted by reference and made a part of the District's Rules; or (iii) other capacity criteria or standards the District has adopted which are shown in Section 4.a. of Schedule A. System Capacity Fees are payable upon request for approval of a Florida

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Department of Environmental Protection permit or a building permit. At no time will service commence to a property prior to payment in full of all System Capacity Fees.

The District reserves the right to audit the actual water, reclaimed irrigation water and wastewater flows of Consumers or Developers as it deems appropriate. If the audit determines that the actual water, wastewater or reclaimed water flows exceed by fifty percent (50%) the previously purchased system capacity in two or more months in any twelve (12) month period, then additional System Capacity Fees shall be charged by the District. The additional System Capacity Fees shall be based on the number of ERCs, EICs or gallons per day by which the actual flow exceeds the purchased system capacity, based on the System Capacity Fees then in effect. Any additional System Capacity Fees assessed shall be due and payable no later than sixty (60) days after notification by the District. Failure to pay any additional System Capacity Fees shall result in suspension of service until paid. Actual flow shall be determined by a comparison of metered usage for the highest thirty day period during the audit period with the amount of original purchased system capacity. The actual flow measurement shall not include customer identified nonrecurring usage which may result from operational problems, such as service line breaks or meter inaccuracy, or atypical usage, such as pool filling or new lawn watering.

SECTION 7. STANDBY (AVAILABILITY): Prior to the application for service each lot, tract and parcel even though not connected to the utility system will be charged appropriate standby fees in accordance with Section 9 of these rules. For tracts and parcels not subdivided, the subject property will be billed at the appropriate rate multiplied by the acreage. Fractions of acres will be rounded up to the next higher whole number. For all properties that are subdivided it shall be the responsibility of the Owner to notify the DCDD of Plat changes. Bills for standby fees shall be remitted in accordance with Section 13.

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Commencing October 1, 1995, as units and property move from standby categorization to active status, standby units will be subtracted from the pool of standby units on the single family lot and acreage equivalency calculations detailed in Section 5.

Standby fees shall be modified and apply to consumers or property served under the terms and conditions in Section 9, relating to areas where utility property has been donated to the District pursuant to an agreement, as provided in these Rules.

SECTION 8. APPLICATION FOR SERVICE: Service shall be furnished only upon signed application accepted by District and the conditions of such application are binding upon the consumer as well as upon the District. To obtain service, application shall be made at the District in the place or places designated by the District Manager. Applications are accepted by the District with the understanding that there is no obligation on the part of the District to render service other than that which is then available from its existing utility system and consistent with the agreements between the District and Northshore Hammock, L.P., dated February 12, 1999; between the District and Lowe Ocean Hammock, L.P., dated February 12, 1999 and H.D. Associates, L.P., dated October 16, 2002. The applicant will then be billed monthly in accordance with Section 9 of these rules. The applicant shall furnish to the District at the time of making application the name of the applicant, the ownership or other interest in or to the property or location and the legal description or street address at which service is to be rendered.

Application for service required by firms, partnerships, associations, corporations and others, shall be tendered only by duly authorized parties. When service is rendered under agreement or agreements entered into between the District and an agent of the principal, the use of such service by the principal shall constitute full and complete ratification by the principal of the agreement or agreements entered into between the District and an agent of the principal

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under which such service is rendered.

At the time of application for service the applicant shall pay the appropriate fees, rates and charges in accordance with Section 9 of these rules for the connection fees, and meter fees. At that time, the District will deduct the amount of the newly activated units as determined under Section 5 from the number of standby units determined in Section 7. If a project is constructed in phases, applicant will be required to pay for the number of units or in the case of commercial or industrial, the equivalent residential and irrigation connections based upon meter size and/or unit or acreage equivalencies for each phase. Other appropriate charges as identified in accordance with Section 8 of these rules will apply to the remainder of the property. Prior to the initiation of construction on subsequent phases, applicant is required to pay the required fees and charges in accordance with the provisions of this paragraph.

SECTION 9. DETERMINATION OF APPLICABLE RATE SCHEDULES. Effective October 1, 2000, the District will operate under three (3) rate schedules. Rate schedule “A” shall be applicable to and binding upon all property within the District to which water, wastewater and effluent irrigation service has been made available, as determined by the District, except for situations described in the following paragraph. Golf course effluent irrigation rates, charges and fees shall be determined under rate schedules “A”, “B” and “C” as applicable.

Effective April 9, 1999 and October 16, 2002, and in accordance with section 4 of these rules, the District has entered into agreements with developers of certain areas within its boundaries whereby the developers have agreed to provide funding to the District with which the District’s utility plant can be expanded and service made available to these areas. Because of the donation of funds and/or facilities to serve those areas, it is appropriate to establish this new class of consumer and apply a different standby fee and eliminate the connection fees for those areas.

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For those areas, the rate schedule “B” shall apply. All other terms and conditions contained in these rules shall apply to the rendering of service to these areas.

AMENDMENTS TO RATE SCHEDULE: Rate schedules are attached hereto as an exhibit, being identified as: Schedule “A”, Water, Wastewater and Effluent Rates and Charges; Schedule “B” Water, Wastewater and Effluent Rates and Charges for Contributed Property and Schedule “C” Special Rate Structure. These rate schedules may be amended from time to time by the Board of Supervisors in accordance with Chapter 190, F.S., and the contractual agreements of the District.

SECTION 10. WITHHOLDING SERVICE: The District may withhold service to a consumer who makes application for service at or upon a location for which prior service, including standby charges, has not been paid in full to the date of such application. It shall be the responsibility of the consumer to make inquiry as to the delinquent status of the account and bring said account current as a condition precedent to continuation of service. The District shall maintain current records of outstanding accounts and shall make such information available to the public at its offices during normal business hours. Service may also be withheld for service installations which are not complete or are not in compliance with District requirements. Nothing herein shall prevent the District from taking any legal recourse against any delinquent account in accordance with Chapter 190 F.S.

SECTION 11. LIMITATIONS OF USE: Utility service purchased from the District shall be used by the consumer only for the purpose specified in the application for service. The consumer shall not sell or otherwise dispose of such utility service supplied by the District. All utility service furnished by the District to the consumer shall be through District meters and may

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not be re-metered by the consumer for the purpose of selling or otherwise disposing of such service without the written consent of the District. In no case shall a consumer, except with the written consent of the District, extend water, wastewater or effluent lines across a street, alley, lane, court, property line, avenue, or other public thoroughfare or right of way in order to furnish utility service for adjacent property.

SECTION 12. UNAUTHORIZED CONNECTION OR USE: No person or entity, without prior written consent of the District shall tap or in any manner make connection to or discharge into any pipe, main, fire hydrant, service connection, sewer manhole, storm drain, or sewer lateral belonging to the District water, wastewater effluent or stormwater system for the purpose of taking or using water from the system or from discharging into the wastewater or stormwater system, or for any other purpose. Connections to the District's water, wastewater, effluent or stormwater system for any purpose whatsoever are to be made only as authorized by the District. In the case of any unauthorized use, interconnection, extension, re-metering, sale or disposition of utility service, consumer's utility service shall be subject to discontinuance until (1) such unauthorized use or disposition is discontinued, (2) full payment is made for such service, based on appropriate consumer classification and rate schedules and (3) reimbursement in full made to the District for any extra expenses incurred by District as the result of such unauthorized use, including administrative costs, testing, inspections, all attorney fees and costs for trial or appeal. Further, the District shall impose a charge of \$250.00 per day or per incident for the first instance and \$500.00 per day or per incident for any subsequent instances of unauthorized use, interconnection, extension, re-metering, sale or disposition of utility service against any person or entity making such an unauthorized use, interconnection, extension, re-metering, sale or disposition of utility service or Utility Service Agreement. The District shall provide notice to the offending entity of the total amount of such fine in writing and may us any

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and all means permitted by the Rules of Procedure of the District, Florida law or as otherwise for the collection and enforcement of such fine. In addition, unauthorized use may result in appropriate criminal prosecution by District.

SECTION 13. BILLING: Bills for service shall be rendered monthly or periodically at intervals not to exceed ninety (90) days at the direction of the Board of Supervisors and shall be due when rendered. A bill shall be deemed rendered when mailed United States mail, postage prepaid, or when delivered to the consumer's address shown on the application for service. No partial payment of any bill rendered will be accepted by District unless authorized by the District Manager, in writing indicating the reason therefore, such as a contested billing, consumption, or hardship. It is the Customer's responsibility to keep the Billing Address current as well as any contact information. The District assumes no responsibility in notifying the Customer beyond sending letters to the address on the application for service or Utility Service Agreement or update thereof.

SECTION 14. DELINQUENT BILLS; LIENS IN FAVOR OF DISTRICT;
PROCEDURES FOR CONTESTING CHARGES: Delinquent utility fees and charges, including charges for effluent and standby charges, shall be deemed liens upon the real property or premises as provided by law, and may be foreclosed as provided by law. All statements and billings for utility services shall be due upon the due date. As a result, the period of delinquency for past due accounts will run from the date statements and billings are rendered. All utility bills shall be paid when rendered to avoid discontinuance of service and the imposition of late payment be added to accounts which have an unpaid balance as of the posted due date indicated on the monthly bill. Water service may be discontinued, if an account remains unpaid fifteen (15) days after the posted due date. Written notice will be given a minimum of five (5) days

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prior to discontinuance. Any consumer contesting any statement or billing shall first present same to the District utility department with a statement of explanation or contest in writing not more than 30 days after the disputed statement or billing is rendered. If the matter is not then resolved, the utility department shall, within fourteen (14) days of receiving the consumer complaint, forward the billing and written statement to the District Manager. If the matter is not then resolved, the District Manager shall, within seven (7) days of receiving the consumer complaint, notify the consumer in writing that the matter will be heard before a panel consisting of the District Manager or his designee, and a representative of the District staff. Notice shall be given to the aggrieved consumer at least seven (7) days prior to the scheduled hearing by mailing said notice to the address which appears on the consumer's utility billing, or by personal service by leaving a copy of said notice at such address either by delivery to any person upon the premises, by posting in a conspicuous place on or about the main entrance. Refusal by any consumer to accept service of notice thereof shall be noted upon the notice when returned, and shall be deemed a waiver by the consumer of the opportunity for hearing provided herein, in which case the determination of the District Manager shall be final. The hearing shall be conducted during normal business hours at District Offices, or the panel and the aggrieved consumer may agree to a time which is mutually convenient to all. If during the hearing process an adjustment to the billing is made, a refund to the consumer shall be rendered either by check or as a credit to the consumer's active account within fourteen (14) days as determined by the District Manager. If, after this hearing, the matter is not resolved, then the consumer may request an appearance before the Board of Supervisors, in which event all documents, transcripts, findings, and statements shall be transmitted forthwith to the District Manager for further disposition. If the matter is not resolved, then the matter shall proceed to the Board of Supervisors. It shall be the duty of the District Manager to notify the consumer of the public

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hearing at which the consumer is to appear before the Board of Supervisors, by mail or delivery of notice as provided in this Section. The decision of the Board of Supervisors shall be final.

SECTION 15. ADJUSTMENT OF BILLS; METER READINGS AND INSPECTIONS:

When a consumer is determined by District to have been overcharged or undercharged as a result of incorrect meter reading, defective metering, incorrect application of rate schedule fees and charges, or mistake in billing, the amount so determined may be credited or billed to the consumer, as the case may be. The adjustment shall be accomplished over a period not to exceed ninety (90) days, unless otherwise directed by the District Manager and so noted on the account. District may read and inspect meters periodically to determine their condition and accuracy and as a basis for periodic billings. If a consumer requests an inspection or re-reading of a meter more frequently than once per every six months, the District may impose a service charge therefore in accordance with Section 9 of these rules.

SECTION 16. ACCESS TO PREMISES: As a condition to providing service, the consumer shall grant to District or its authorized agents or employees access to consumer's property during all reasonable hours and, in the event of an emergency, at any time, for the purposes of reading meters or maintaining, inspecting, repairing, installing or removing District's property, and for any other purposes incident. to performance under or termination of any agreement with a consumer or such consumer's predecessor in interest or use of the facilities or services made accessible to the District by the consumer or to be relocated by the District.

SECTION 17. INSPECTIONS OF CONSUMER'S INSTALLATION: District reserves the right to inspect and approve any consumer installation prior to providing service and from time to time thereafter to ensure compliance with applicable laws, Rules of the District, and regulations affecting such installation. No changes to any consumer installation which will

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materially affect proper operation of District utility system shall be made by a consumer without express written consent of the District Engineer and approval of the District Manager. Consumer shall be responsible for the cost of making changes or repairs resulting from any unauthorized alteration, and the District may require payment or reimbursement therefore as a condition to continued service.

SECTION 18. PROTECTION OF DISTRICT PROPERTY: In the event of any damage to District property located upon consumer's property which arises out of any act of consumer or agents, employees or independent contractors upon the premises, the cost of repairs or replacement shall be the responsibility of the consumer, and full payment or reimbursement to District therefore may be imposed by District for the continuation of service.

SECTION 19. CHANGE OF OCCUPANCY; TERMINATION OR TRANSFER OF SERVICE: It shall be the obligation of the consumer to notify the District of change of occupancy or ownership of property as it relates to standby or connection fees or other circumstances for which termination or transfer of service is requested. The consumer shall be responsible for all service charges incurred to the date upon which written or personal notification is received by District, after which District shall have a reasonable time not to exceed seventy-two (72) hours in which to discontinue service. As a convenience to consumers, District will accept telephone notice to discontinue or transfer service, provided written notice is given to District within seventy-two (72) hours thereafter. If no written notice is received within seventy-two (72) hours, the District is not required to discontinue service.

SECTION 20. RESUMPTION OF SERVICE: After termination or discontinuance of service as provided herein, the District may require as a condition precedent to service resumption payment in full or adequate security in the form of security deposits to cover all costs

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reasonably incurred by District as the result of such termination or discontinuance, including any re-connection fees, meter installation or removal and re-installation costs, inspection costs, or other costs incident thereto in accordance with District's schedule of fees and costs for such services then in effect.

SECTION 21. CONTINUITY OF SERVICE: The District will at all times use reasonable diligence to provide continuous service, and having used reasonable diligence, shall not be liable to the consumer for failure or interruption of continuous service. The District shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accident, litigations, breakdowns, shutdowns for repairs or adjustments, acts of sabotage, terrorism (domestic or foreign) enemies of the United States, wars, governmental interference, acts of God or other causes beyond its control.

SECTION 22. MAINTENANCE AND STANDARDS: All pipes, conduits or other component parts of service installed in or upon the premises of a utility or stormwater system consumer shall conform to District standards of type, quality, quantity and regulations regarding installation. Consumer shall be responsible for maintaining all on site facilities in proper repair, and shall not alter or modify any interconnection of service without first notifying District and securing approval therefore in writing or by permission from an authorized representative of District's utility department. Unauthorized alteration or modification of any on site utility service interconnection may result in immediate termination of the affected service and repair or restoration by District or at its direction at the consumer's costs.

SECTION 23. METERS: Each consumer of the District receiving water or effluent service must have a water meter and an effluent meter which measure flow and which the ultimate basis for water and effluent charges. All water and effluent meters shall be furnished

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by, installed by and remain the property of the District and shall be accessible to and subject to its control. Meters are not transferable to another residence or business site. The consumer shall provide meter space to the District at a suitable and readily accessible location and when the District considers it advisable, within the premises to be served, adequate and proper space for the installation of meters and other similar devices.

Before a meter is installed, all applicable meter fees, connection fees and any other applicable fees and charges must be paid.

The meters to be furnished by the District shall be sized to be compatible with the existing line and main sizes according to District standards and specifications at the consumer's expense. The consumer shall be required to provide a proper service connection and service line in accordance with the District standards and specifications. Meter sizes, other than those originally specified or intended, shall be as approved by the District Engineer and the District Manager.

SECTION 24. ALL WATER AND EFFLUENT THROUGH METER: That portion of the consumer's installation for water and effluent services shall be arranged so that all water and effluent service shall pass through the meters. No person shall make or cause to be made any connection with any main, service pipe, or other pipes, appliances or appurtenance used for or in connection with the District's water and effluent systems in such manner as to cause to be supplied water or effluent from such plant to any faucet or other outlet whatsoever without such water or effluent passing through a meter provided by the District and used for measuring and registering the quantity of water or effluent passing through the same, or make or cause to be made, without the consent of the District, any connection with any such plant or any main, pipe service pipe or other instrument or appliance connected with such plant in such manner as to take

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or use, without the consent of the District, any water or effluent.

SECTION 25. METER TESTING: The District reserves the right to remove the meter and check, repair, or replace it at any time at no cost to the consumer. Should a consumer desire his meter to be checked at any time, he may have this work done by submitting a written request accompanied by a fee in accordance with the rate schedules of the District in effect at the time of such testing. Should the meter be tested and found to be registering over two (2%) percent more than is actually used, the last three months service bill will be adjusted accordingly, the meter will be repaired or replaced, and the fee returned. In any other case, the amount of the fee shall be retained by the District to defray the cost of testing.

SECTION 26. BACKFLOW PREVENTION DEVICE REQUIREMENT, TESTING, REPAIR AND REPLACEMENT: The Florida Administrative Code requires Public Water Systems to maintain a Cross Connection Control (CCC) Plan. The purpose of the CCC Plan is to prevent backflow through cross-connections of the various types of customer connections with the Dunes CDD Public Water System. All potable water service connections served by the District must be equipped with a properly configured and functioning backflow prevention device. All non-single family residential account customers within the District are responsible for installation, testing and repair of the backflow prevention device connected to the public water system.

An annual test of each testable backflow prevention device is required and shall be performed by a state-certified backflow prevention device tester. The District shall perform or have performed backflow device testing annually and shall charge the customer for applicable services as referenced in Schedule A - Water, Wastewater and Effluent Rates and Charges.

A copy of the annual device test report shall be provided to the customer. When device testing

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results indicate failure of the test criteria, the District shall provide a written notice to the customer indicating a failed test result was realized. The customer shall be provided ten (10) working days from the date of written notification to repair or replace the device and provide copy of passing test result performed by certified device tester to the District. Should the District fail to receive the certified passing test result within the allotted time, the District shall perform, or have performed by state certified fire device testing and repair company, the necessary device repairs or replacement and re-test activities and charge the billing account on file for all related costs. Failure to comply with the provisions of this notice may result in termination of service.

SECTION 27. DAMAGING, TAMPERING WITH, ALTERING, FACILITIES OF UTILITY PLANT OR SYSTEM INCLUDING THE STORMWATER SYSTEM: No person shall: damage or knowingly cause to be damaged or take any action which reasonably could be expected to damage any meter or water, wastewater or effluent facilities connected with or belonging to a District water, wastewater or effluent system, or stormwater system, or tamper or meddle with any meter or other appliance or any part of such system in such manner as to cause loss or damage to the District; prevent any meter installed for registering water or effluent from registering the quantity which otherwise would pass through the same; alter the index or break the seal of any such meter; in any way hinder or interfere with the proper action of just registration of any such meter; fraudulently use, waste or suffer the loss of water or effluent passing through any such meter, pipe or fitting, or other appliance or appurtenance connection with or belonging to such system after such meter, pipe, fitting, appliance or appurtenance has been tampered with, injured or altered. No person shall operate or tamper with any hydrant belonging to the District. Any such damage, tampering with, operating, or tampering with the Facilities of the District will result in the individual or entity being prosecuted to the full extent of the law.

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SECTION 28. PRIVATE FIRE SERVICE CONNECTION: A private fire service connection is to be used for fire purposes only and is to have no connection whatsoever with any service lines or outlet that may be used for other than fire purposes. There shall be a backflow preventer installed by the consumer at his expense in each such connection, as authorized by the District.

The consumer shall not draw any water whatsoever through this connection for any purpose except the extinguishing of fires, or for periodic tests of the fire system, which tests shall be made in the presence of a representative of the District. Any authorized representative of the District shall have free access to the building at any reasonable time for the purpose of inspecting any of the equipment.

The consumer shall set in this connection at the point of delivery, a District approved double detector check valve assembly with a by-pass on which shall be set a meter, installed and approved by District at consumer's expense, the purpose of which shall be to indicate whether or not water is being used through this connection and for the further purpose of showing any leakage, if same exists. All meters shall become the property of the District.

Any private fire service connection that incorporates extraneous usages (e.g. fire pump packing flushing, accessible hose or fire line connection, unsecured service outlet, ETC.) shall require review and approval by the District prior to installation. Private fire service connection that incorporates such extraneous usages or potable water service shall be subject to the charges set forth in Schedule A Water, Wastewater and Effluent Rates and Charges.

Violation by the consumer of any of the regulations in this section shall justify the District to disconnect said pipe or pipes, or stop the flow of water through same.

The right is reserved by the District to shut off the supply at any time in case of accident,

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or to make alterations, extensions, connections, or repairs and if possible, the District agrees to provide notice of scheduled service interruption.

The District does not make any guarantee as to a certain pressure in the pipe or in the main supplying same, and shall not be, under any circumstances held liable for loss or damage to the owner for a deficiency or failure in the supply of water, whether occasioned by shutting off of water in case of accident or alteration, extensions, connections or repairs, or for any cause whatsoever.

When fire line valves or connections are used in case of fire or for any other reason whatsoever, the consumer shall immediately notify the District and the District shall forthwith reseal the used valves or connections.

SECTION 29. TERMINATION OF SERVICE: All utility service shall be pursuant to proper permit or application, which procedure accords the District the opportunity to provide for orderly expansion of facilities and regulation thereof in a manner calculated to ensure continuous service to all consumers. Inherent in this obligation is the governmental prerogative of necessity to terminate consumption which is adverse to the continuous, orderly and uninterrupted operation and maintenance of its utility service. Accordingly, the District reserves the right by unilateral act in its sole discretion to refuse service, or to terminate service temporarily, or to discontinue service in all instances when conditions exist which would constitute an emergency of public concern, or when the providing of any service would constitute a threat to the safety, health or welfare of consumers generally or a significant portion of the consumer population.

When discontinuance or termination of service can be remedied by an act of the consumer, District shall provide notice of remedial action to the consumer in order that service may be continued uninterrupted. The consumer shall complete remedial action within ten (10)

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working days after notice is provided. Acts considered to be remedial by the consumer, and for which service may be temporarily terminated, discontinued or interrupted are the following:

- (a) Failure to pay for service as described in Section 14.
- (b) Failure of consumer to meet provisions of agreements with the District.
- (c) Failure to correct deficiencies in piping or other components upon consumer's property after reasonable notice thereof.
- (d) Use of service for any other property or purpose than described in the permit or application.
- (e) When requested by consumer, in which case resumption of service shall be accomplished in accordance with District policy as herein provided.

The District reserves the right by unilateral act in its sole discretion to refuse service, terminate service temporarily, or to discontinue service without notice under the following circumstances:

- (a) Causing, or allowing to exist, a hazardous condition with respect to the location, use of, or access to any utility service or component.
- (b) Alteration or modification of any transmission or metering component or device used in providing any utility service to the consumer. Any such unauthorized use, if fraudulent, may result in criminal prosecution and may result in restitution of revenue lost to the District as a condition to restoration of service, including costs of repair or restoration of any meters or components to normal service condition, as shall be determined by District.
- (c) Total or partial destruction of, or abandonment of, any structure, including any vacancy for a duration which, in District's opinion, may create a hazardous or unsafe condition or constitute a nuisance.

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PART II WATER, WASTEWATER AND EFFLUENT UTILITIES

SECTION 30. CONSERVATION:

A. Daily Operations: As a provider of irrigation services, the District encourages the conservative and judicious use of water for irrigation purposes within the District. The following water conservation measures shall be in effect at all times:

1. Use of irrigation water is prohibited between the hours of 10:00 a.m. and 4:00 p.m., Saturday through Thursday, and is prohibited entirely on Fridays.
2. Residential Customers: On days other than Fridays, residential customers whose addresses end in even numbers (e.g., 634 Dunes Drive) may irrigate during permitted hours on Tuesdays, Thursdays and Sundays. On days other than Fridays, residential customers whose addresses end in odd numbers (e.g., 635 Dunes Drive) may irrigate during permitted hours on Mondays, Wednesdays and Saturdays.
3. Common Area Customers shall present a conservation plan to the Board for consideration and approval to address the specific circumstances of the common areas.
4. Golf Course Customers: Golf Course customers shall be limited to an average 500,000 gpd of irrigation during the time when conservation measures are in effect.
5. Irrigation of newly planted turf, sod or landscaping is exempt from the requirements of this rule, provided that notice of such use is provided in

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writing to the District prior to planting. Such exemption shall remain in effect for a period of thirty days. Each account shall be entitled to one exemption per calendar year except by affirmative vote of the Board of Supervisors.

Any and all utility customers whose irrigation usage exceeds the limits included in this section may be charged double commodity rates (i.e., the commodity rate then in effect shall be multiplied by two) for the overage. Failure to abide by conservation measures imposed by this rule may result in discontinuance of irrigation service in the sole discretion of the District.

B. Emergency Operations: When the District's supply of irrigation water becomes critically low and/or the District's ability to produce irrigation water is reduced, the District Manager, in consultation with the District Engineer, may determine that the District implement the following emergency water conservation measures:

1. Residential Customers' irrigation shall be limited to two days per week, during the hours permitted under A.1 above;
2. Golf Course Customers' irrigation shall be limited to a specified volume per week. The specified volume shall be determined at the time emergency operations are instituted.

The District will operate under these emergency measures until the District Manager, in consultation with the District Engineer, determine that the District's irrigation storage levels have become acceptable and/or the District's ability to produce irrigation water has returned to normal levels.

Utility customers will be provided notice of implementation of emergency operations as soon as possible upon a determination of necessity by the District. Advance notice is not

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required. Notice may be provided by posting signs, mailing notice to customers, various forms of electronic communication, or any other manner deemed reasonable by the District Manager.

In order to provide for local implementation of the water conservation rule for landscape irrigation of the St. Johns River Water Management District, the District hereby adopts the St. Johns River Water Management District Rule 40C-2.042(2)(a) and (b), F.A.C. with the following exceptions:

40C-2.042 (2)(a)1. g. – Delete this section.

Violation of any provision of this rule shall be subject to the following penalties:

First violation	Written Warning
Second violation	\$50.00
Subsequent violation	Fine not to exceed \$500

Each day in violation of this Ordinance shall constitute a separate offense. Failure to abide by conservation measures imposed by this rule may result in discontinuance of irrigation service in the sole discretion of the District. In addition, the District may take any other appropriate legal action, including, but not limited to, injunctive action to enforce the provisions of this Article.

SECTION 31. GENERAL; DECLARATION OF POLICY: The District owns, operates and maintains water, wastewater and effluent systems which serve residents within the District. New development may require the extension of mains to provide service, as well as expansion of facilities to accommodate new development. In some instances, the District in anticipation of expansion of its systems due to growth and development has already provided mains for service thereof. The cost of providing extensions, notifications, and expansions of facilities is to be

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borne by property owners, builders or developers within the District's area to defray the costs of these extensions, notifications, and expansions. The allocable share of each is to be charged as described herein. It is the declared policy of the District by this Rule to establish a uniform method of determining charges for availability of services so that all such contributions shall be non-discriminatory among the various consumers served by the District's systems and shall be applied as nearly as possible with uniformity to all consumers and prospective consumers within District's service areas. District specifically reserves its rights to fix and determine rates, charges and contributions required for the provisions, consumption, operation, maintenance, extension, and expansion of its utility services as provided herein and as authorized by law including but not limited to the ability to enter into developer agreements to ensure the orderly and timely provision of service. Each consumer is hereby notified that the District, in the exercise of its governmental responsibility to provide for the welfare of all consumers of its utility services, has the authority and responsibility to amend its schedules of rates, charges, and contributions from time to time to ensure the perpetuation of service.

SECTION 32. EASEMENTS AND RIGHTS OF WAY: As a prerequisite to the construction or installation of any effluent, water distribution or wastewater collection lines or appurtenances proposed to be connected to the facilities of the District, the developer shall agree to grant to the District all easements or rights of way required by the District and pertaining to the proposed facilities. Such grant or conveyance shall be in the form satisfactory to the District. Such conveyances, when located on the property of developer, shall be made without cost to the District. District reserves the right to require such easement or right of way to the point at which the meter is proposed to be installed or at the point of delivery of service, being the point at which the facilities of District join with consumers. Such easements and right of way shall be conveyed and accepted upon completion, approval and acceptance of the work done by

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developer.

SECTION 33. INSPECTION: The District shall inspect the installation of all effluent, water distribution or wastewater collection facilities installed by developer or developer's contractors at the point of delivery, which facilities are proposed to be transferred to the District for ownership, operation and control. These facilities must meet the same infiltration criteria as that of District owned systems. Such inspections are intended to assure that effluent, water and wastewater lines and/or lift stations are installed in accordance with approved designs and are further consistent with the criteria and specifications governing the kind and quality of such installation. Representatives of the District may be present at tests of component parts of effluent or water distribution or wastewater collection systems for the purpose of determining that the facilities, as constructed, conform to the District's criteria for exfiltration, infiltration, pressure testing, line and grade. Such tests will be performed by developer or developer's contractor, but only under the direct supervision of the engineer of record or his authorized inspector. The results of such testing shall be certified by the engineer of record. The District shall be notified at least 48 hours prior to any inspections or testing performed in accordance with these regulations.

SECTION 34. TRANSFER OF CONTRIBUTED PROPERTY - BILLS OF SALE: Each developer who has constructed portions of the effluent and water distribution and wastewater collection system prior to interconnection with District's existing facilities, shall convey such component parts of the effluent and water distribution and wastewater collection system to District by bill of sale in form satisfactory to the District, together with such evidence as may be required by District that the effluent and water distribution and wastewater collection system proposed to be transferred to District is free of all liens and encumbrances, prior to the District

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providing service to the property.

Any facilities in the category of consumers lines, plumbers lines or consumers installation, located on the discharge side of the effluent or water meter or on the consumer's side of the point of delivery of service shall not be transferred to District and shall remain the property of developer, a subsequent owner-occupant or their successors and assigns. Such consumer's lines, plumbers lines or consumers installation shall remain the maintenance responsibility of developer or subsequent consumers.

District shall not be required to accept title to any component part of the effluent or water distribution or wastewater collection system as constructed by developer until the District Engineer has approved the construction of said lines, accepted the tests to determine that such construction is in accordance with the criteria established by District and the Board of Supervisors has evidenced its acceptance of such lines for District's ownership, operation and maintenance.

Developer shall maintain accurate cost records establishing the construction costs of all utility facilities constructed by developer and proposed to be transferred to District. Such cost information shall be furnished to District concurrently with the bill of sale and such cost information shall be a prerequisite for the acceptance by District of the portion of the effluent or water distribution and wastewater collection system construction by developer. District may refuse connection and deny the commencement of service to any consumer seeking to be connected to portions of the effluent or water distribution and wastewater collection system installed by developer until such time as the provisions of this paragraph have been fully met by developer or developer's successors or assigns.

SECTION 35. IMPROVEMENTS AND EXTENSIONS TO EFFLUENT, WATER AND

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WASTEWATER SYSTEM AND UTILITY INSPECTION FEES: The District shall be responsible for the financing, construction and operation of major mains, lift stations, force mains and related appurtenances hereinafter referred to as major facilities as identified in the District's Utility Master Plan; provided however that the District may enter into agreements with one or more developers to provide for the funding of such facilities. Any other distribution or collection facilities not specifically identified in said plan will be the responsibility of the landowner and/or developer hereinafter referred to as "subdivision facilities." The subdivision facilities will be designed in accordance with District standards and the developer may choose one of the two following procedures for the design and construction of subdivision facilities:

1. Developer may request the District, through its consulting engineers to design the subdivision facilities and shall advance the funds to the District as required to pay engineering invoices incurred by the District in said design. Such advances will be non-reimbursable and may be required to be posted in total prior to the District's authorization for its engineers to commence the work.

Upon the completion of the design the District will solicit competitive bids and award same in accordance with the provisions of Chapter 190 F.S. for the construction of the subdivision facilities. The award will be contingent upon the developer advancing to the District funds in the amount of the accepted bid plus 25% for engineering, legal and contingencies. Upon the completion of the subdivision facilities, any monies remaining will be returned to developer within 30 days of receipt of the engineer's certification of completion.

2. Developer may choose his own engineer to design the subdivision facilities in accordance with District rules and regulations and in accordance with the District's design criteria specified in the Manual of Design Standards and Specifications for Dunes Community

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Development District (Water, Wastewater and Effluent Reuse Construction) 1994 (latest edition) which by reference is incorporated herein, and submit same to the District for review which upon the submittal, developer will pay to the District a permit fee in accordance with Section 4.h.of Schedule A of these rules.

Upon the completion of the design and approval of same by the District, developer may contract directly with a company who has knowledge, professional licenses and expertise in the installation of effluent and water distribution and wastewater collection facilities to install the subdivision facilities. District shall be notified prior to the commencement of construction and will make periodic inspections of the work. Developer agrees to pay to the District an amount equal to 6% of the 110% of the contract amount which will be used to pay engineering, legal, and administrative expenses. District will utilize the amount posted by developer to pay the actual inspection cost and upon completion and certification of the subdivision improvements, any amounts remaining will be reimbursed to the developer within 30 days of receipt of the engineer's certification of completion.

SECTION 36. WASTEWATER SYSTEM PROHIBITIONS: The District is responsible for the financing, construction, and operation of sanitary sewer collection system gravity mains, lift stations, force mains, wastewater treatment facility and related appurtenances hereinafter referred to as the District Sanitary Sewer System (DSSS). No user of the DSSS shall contribute or cause to be contributed, either directly or indirectly, any pollutant or wastewater which shall cause pass through or interference of the DSSS, and no user shall interfere with the operation or performance of the DSSS. These general prohibitions apply to all such users of the DSSS, whether the user is subject to national categorical pretreatment standards or any other national, state, or local pretreatment standards or requirements.

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Further, a user may not contribute any of the following substances into the DSSS: any liquids, solids or gases having nature or quantity sufficient, either alone or by interaction with other substances, to cause fire or explosion or be injurious in any other manner; solid or viscous substances which may cause obstruction to the pipe flow or other interference with the operation of the wastewater treatment facilities, such as, but not limited to, grease, garbage with particles greater than one-half inch, sand, spent lime, stone or marble dust, metal, glass, grass clippings, rags, spent grains/ hops, waste paper, wood, plastics, gas, tar, asphalt residues, lubricating oil, mud, or glass grinding or polishing wastes; any wastewater having a pH less than 5.5 or greater than 9.0 or wastewater having any other corrosive property capable of causing damage or hazard to structures, equipment, or personnel of the DSSS; any wastewater containing toxic pollutants in sufficient quantity, either singularly or by interaction with other pollutants, that may injure or interfere with any wastewater treatment process, constitute a hazard to humans or animals, create a toxic effect in the receiving waters of the DSSS effluent, or exceed the limitation set forth in a categorical pretreatment standard; any noxious or malodorous liquids, gases, or solids which, either singularly or by interaction with other wastes, are sufficient to create a public nuisance or hazard to life or are sufficient to prevent entry into the sewers for maintenance and repair; any substance which may cause the DSSS effluent or any other product, such as residues, sludge, or scum, to be unsuitable for reclamation and reuse or to interfere with the reclamation process, sludge use or disposal criteria; any substance which will cause the DSSS to violate its NPDES or DEP permit, or causes the DSSS to violate sludge disposal permits, or causes the DSSS to exceed water quality based effluent limitations of the receiving waters; any wastewater having a temperature which will inhibit biological activity in the DSSS resulting in interference, but in no event wastewater with a temperature at the introduction into the DSSS which exceeds 40 degrees Celsius; any pollutants, including oxygen demanding pollutants (BOD, etc.), released at a flow

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rate and/or pollutant concentration which a user knows or has reason to know will cause interference to the DSSS; any wastewater containing any radioactive wastes; any wastewater which causes a hazard to human life or creates a public nuisance; any petroleum-based product, including petroleum distillates and other petrochemicals, nonbiodegradable cutting oil, or products of mineral oil origin, in amounts that will cause interference or pass through; trucked or hauled pollutants, except as designated by the utility manager; hazardous wastes as defined in 40 CFR 261; any intentional introduction of wastewater derived from a source other than the District public water supply system, unless authorized by the utilities manager or agreement authorized by the District Board of Supervisors; any swimming pool discharge; any intentional introduction of stormwater runoff or surface water inflow; any pollutants which result in the presence of toxic gases, vapors, or fumes within the DSSS in a quantity that will cause acute worker health and safety problems.

When the District determines that any user is contributing to the DSSS any of the above enumerated substances in such amounts as to interfere with the operation of the DSSS, the utility manager shall advise the user of the impact of the contribution to the DSSS, develop effluent limitations for such user to correct the interference with the DSSS, and implement an appropriate schedule for monitoring the effluent to ensure compliance with this Section.

SECTION 37. MANAGEMENT OF FATS, OILS AND GREASES:

If the District determines that a source has caused or is likely to cause a discharge of oil, grease, or sand into the DSSS, the District will require the installation, operation, and maintenance of an interceptor at the source to minimize or eliminate such discharges. The facility owner for such source will be responsible for installing and operating the required interceptor in compliance with these Rules. For purposes of implementing these Rules, restaurants, grills, hotel kitchens,

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bars, cafeterias, clubs, grocery stores, delicatessens, and multi-family condominium facilities, are presumed likely to discharge oil, grease, or sand into the DSSS.

Facilities likely to discharge fats, oil, and grease, which are newly proposed or constructed, or existing facilities which shall be expanded or renovated to include a food service facility where such facilities did not previously exist, shall be required to install an approved, properly operated and maintained oil and grease interceptor.

The District will review development plans, existing and proposed building uses to determine whether a grease interceptor is required. The design and installation specifications for required interceptors shall be prepared by licensed Engineer and shall be constructed by licensed Contractor in conformance with the Florida Plumbing Code, Florida Administrative Code, and other applicable Federal, State and Local laws, rules, and regulations. The Engineer shall also provide the owner with the interceptor manufacturer's operation and maintenance manual. The manual shall be maintained and available at owner facility for review by District personnel.

Any person required to install or continue using an interceptor under this Section shall be required to operate and maintain the interceptor in good working condition and in accordance with these Rules at the owner's sole cost.

Cleaning and maintenance shall be performed by the user. Cleaning shall include the complete removal of all contents, including floating materials, wastewater, and bottom sludge and solids. Decanting, back-flushing, or discharging of removed wastes back into the oil and grease interceptor from which the waste was removed or any other oil and grease interceptor, for the purpose of reducing the volume to be hauled and disposed is prohibited.

The permittee must clean and maintain the interceptor in accordance with the manufacturer's operation manual or as further described in these Rules if more stringent. All Devices shall be

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pumped out completely at a minimum frequency of **once every ninety (90) days**, or more frequently as needed to prevent carry over of oil and grease into the collection system. Any pumping frequency will be adjusted in writing should it be determined by the Utilities Manager or designee that based on flows, quantity of oil and grease in the discharge, volume of business, hours or operations and seasonal variations, a more frequent pumping schedule is required to maintain compliance with other sections of this rule provision. All Devices shall be deep cleaned **annually** to include pressure cleaning or scraping of the walls, baffles, cross pipes, inlet, and outlet tees and inspected by the user.

Pumpage from oil and grease interceptors and oil/water separators shall be tracked by a manifest that confirms pumping, hauling, and disposal of waste. This manifest shall contain the following information:

Generator Information:	Name, Signature, Contact Person, Address, Telephone No., Date, Time, and Volume pumped
Transporter Information:	Company Name, Address, Telephone No., Driver Name/ Signature, Date, Time and Volume Pumped
Disposal Site Information:	Company Name, Facility Permit #, Address, Telephone No. Contact Person(s), Location of Disposal Site/Facility Delivery Date, Time and Volume Treated Driver Name, Signature, and Vehicle No. Name and Signature of Operator Verifying Disposal

The Owner must keep cleaning, maintenance, transport and disposal manifests and repair records for three years thereafter. The permittee must provide the District with access to such records upon reasonable notice during normal business hours.

The permittee must grant the District access to the permittee's facility to allow the District to

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conduct inspections, at a frequency based generally on the interceptor device pumping and cleaning frequencies described in these Rules.

Any user in the Fats, Oil and Grease Program found in violation of the provisions in these Rules shall be served by the District with written notice by personal delivery by an authorized District employee or by registered or certified mail that states the nature of the violation and providing a reasonable time limit for satisfactory correction of the violation. The affected user shall permanently cease all violations within the period specified in the notice.

The District Board of Supervisors by resolution may adopt other reasonable fees as deemed necessary to carry out the requirements set forth in this rule provision. These fees relate solely to the matters covered by the rule provision and are separate from all other fees, fines, and penalties assessed by the District. These fees are charged to recover the direct costs incurred by the District to implement and enforce the Fats, Oil and Grease Program.

SECTION 38. REFUNDABLE ADVANCES: The District may require, in addition to the contribution provisions set forth herein, a refundable advance by developer to further temporarily defray the cost of any off site extension of effluent and water and/or wastewater mains and pumping stations necessary to connect the developer's property with the terminus of the District's effluent and water and wastewater facilities adequate in size to provide service to the subject property. However, this Rule recognizes instances in which a developer may be required to advance the hydraulic share applicable to other undeveloped property in order that off site facilities may be constructed to serve developer's property and at the same time be sized in accordance with the District's master plan. All amounts expended by developer, over and above developer's hydraulic share for off site facilities shall be refunded to developer in accordance with the terms and conditions of a refunding agreement which the District will execute with

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developer. The refund agreement shall provide for a plan of refund based upon the connection of other properties, to the extent of their hydraulic share, which properties will be served by the off site facilities installed by developer. Notwithstanding the provisions of this section, the District will limit the life of such refund agreement to a term to be negotiated in said refunding agreement. The District at its sole option may include interest upon the refund of developer's advance and provide for same in the refunding agreement.

SECTION 39. CUSTOMER PROPERTY REQUESTS: In the event the District must perform work for customers, the District has the right to charge the actual labor rate of the District employees, actual material costs, and equipment used at the latest FEMA Equipment Rates as published. The District at its sole discretion will decide if they will perform the work. In the event it is not clear where the repair must be made (whether customer or District property) the District shall provide the diagnosis of the repair at the District's own cost. The District at its sole discretion may decide to use contractors to perform this work and the customer will be charged for this work.

SECTION 40. AFTER HOURS CUSTOMER REQUESTS: For afterhours customer requests, the District shall charge a Minimum of \$500.00 per trip to the Customer's Property. Failure to pay for any of these services will result in the District shutting off water, sewer and reclaimed water service.

SECTION 41. SEVERABILITY: If any section, subsection, sentence, clause, phrase, or portion of this Rule is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

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Specific Authority: Chapter 190.035(1); 120.54, Florida Statutes

Law Implemented: Chapter 190.031, 190.035(1), 190.036, 190.037, 190.041, 190.012(1) Florida Statutes

History - Adopted March, 1989; Revised October, 1993; Revised October, 1995; Revised October, 1996; Revised February 12, 1999; Revised April 14, 2000; Revised August 11, 2000; Revised October 13, 2000; Revised January 11, 2002; Revised October 11, 2002.; Revised August 13, 2004; Revised April 13, 2007; Revised February 13, 2009; Revised December 20, 2013; Revised November 12, 2021

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APPENDIX A
RATE SCHEDULES**

SCHEDULE A

WATER, WASTEWATER AND EFFLUENT RATES AND CHARGES

Effective October 1, 2016

1. WATER SERVICE

a. Individually Metered Residential, Non-Residential and Fire Line By-Pass Accounts

Minimum Monthly Water Charge:

Per Meter Size

	Water Service	Potable Irrigation Service [1]
5/8 x 3/4 - inch	\$ 17.33	\$ 47.66
1 - inch	43.33	119.14
1-1/2 - inch	86.65	238.29
2 - inch	138.64	381.26
3 - inch	259.95	714.86
4 - inch	433.25	1,191.44
6 - inch	866.50	2,382.88
8 - inch	1,386.40	3,812.60

Water Commodity Rate [2]:

Tiered Commodity Ranges

Per Individually Metered Accounts

	Tiered Consumption Ranges Shown in Gallons / Rates Shown Billed per 1,000 Gallons			
	Tier1	Tier 2	Tier 3	Tier 4
5/8 x 3/4 - inch	0 - 7,500	7,501 - 15,000	15,001 - 22,500	Above 22,500
1 - inch	0 - 19,000	19,001 - 38,000	38,001 - 56,000	Above 56,000
1-1/2 - inch	0 - 38,000	38,001 - 75,000	75,001 - 113,000	Above 113,000
2 - inch	0 - 60,000	60,001 - 120,000	120,001 - 180,000	Above 180,000
3 - inch	0 - 113,000	113,001 - 225,000	225,001 - 338,000	Above 338,000
4 - inch	0 - 188,000	188,001 - 375,000	375,001 - 563,000	Above 563,000
6 - inch	0 - 375,000	375,001 - 750,000	750,001 - 1,125,000	Above 1,125,000
8 - inch	0 - 600,000	600,001 - 1,200,000	1,200,001 - 1,800,000	Above 1,800,000

Water Service Commodity Rates	\$	2.42	\$	3.03	\$	3.87	\$	4.84
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b. Master Metered Residential Accounts

Minimum Monthly Water Charge

Per Dwelling Unit

\$ 17.33

Water Commodity Rate [2]:

Tiered Commodity Ranges

Per Master Metered Dwelling Unit [3]

	Tiered Consumption Ranges Shown in Gallons / Rates Shown Billed per 1,000 Gallons			
	Tier1	Tier 2	Tier 3	Tier 4
	0 - 7,500	7,501 - 15,000	15,001 - 22,500	Above 22,500

Water Service Commodity Rates	\$	2.42	\$	3.03	\$	3.87	\$	4.84
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c. Combined Fire Line and Potable Water Accounts

Minimum Monthly Water Charge

4 - inch

\$ 138.64

Other Meter Sizes

Case by Case Basis

Water Commodity Rate

Tiered Commodity Ranges

4 - inch

Other Meter Sizes

	Tiered Consumption Ranges Shown in Gallons / Rates Shown Billed per 1,000 Gallons			
	Tier1	Tier 2	Tier 3	Tier 4
4 - inch	0 - 60,000	60,001 - 120,000	120,001 - 180,000	Above 180,000
Other Meter Sizes	Case by Case Basis			

Water Service Commodity Rates	\$	2.42	\$	3.03	\$	3.87	\$	4.84
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Footnotes:

[1] Reflects customer accounts receiving water-only service.

[2] Water Commodity Rates vary per respective tier of metered water consumption and are billed per 1,000 gallons of metered water consumption.

[3] The tiered consumption ranges for Master Metered Residential accounts shall be equal to the number of dwelling units served times the allowance per tiered rate. Allowance does not apply to irrigation meters serving master metered multi-family connections.

SCHEDULE A

WATER, WASTEWATER AND EFFLUENT RATES AND CHARGES

Effective October 1, 2016

2. WASTEWATER SERVICE

a. All Residential Customers Including Master Metered Accounts

Minimum Monthly Charge		
Per Dwelling Unit	\$	17.33

Wastewater Service Commodity Rate		
Per 1,000 Gallons of Metered Water	\$	2.73

b. Non-Residential Accounts

Minimum Monthly Charge		
Per Meter Size		
5/8 x 3/4 - inch	\$	17.33
1 - inch		43.33
1-1/2 - inch		86.65
2 - inch		138.64
3 - inch		259.95
4 - inch		433.25
6 - inch		866.50
8 - inch		1,386.40

Wastewater Service Commodity Rate		
Per 1,000 Gallons of Metered Water	\$	3.83

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SCHEDULE A

WATER, WASTEWATER AND EFFLUENT RATES AND CHARGES

Effective October 1, 2016

3 EFFLUENT SERVICE [4]

a. Individually Metered Residential Accounts

Minimum Monthly Charge

Per Lot \$ 17.33

Commodity Charge [5] Per Lot Size	Irrigable Area (Acres)	Tiered Consumption Ranges Shown in Gallons		
		Tier1	Tier 2	Tier 3
Small Lot	0.00 - 0.25	0 - 9,000	9,001 - 14,000	Above 14,000
Medium Lot	0.25 - 0.66	0 - 21,000	21,001 - 32,000	Above 32,000
Large Lot	Above 0.66	0 - 52,000	52,001 -78,000	Above 78,000

Effluent Service Commodity Rate

Per 1,000 Gallons of Metered Effluent Flow \$ 0.80 \$ 1.00 \$ 2.00

b. Master Metered Residential and Non-Residential Accounts

Minimum Monthly Charge

5/8 - inch \$ 17.33

5/8 x 3/4 - inch \$ 17.33

3/4 - inch \$ 17.33

1 - inch 43.33

1-1/2 - inch 86.65

2 - inch 138.64

3 - inch 259.95

4 - inch 433.25

Above 4 - inch Case by Case

Commodity Charge [5] Per Irrigable Area Associated with Meter Size	Irrigable Area (Acres)	Tiered Consumption Ranges Shown in Gallons		
		Tier1	Tier 2	Tier 3
5/8 - inch	0.00 - 0.25	0 - 9,000	9,001 - 14,000	Above 14,000
5/8 x 3/4 - inch	0.25 - 0.66	0 - 21,000	21,001 - 32,000	Above 32,000
3/4 - inch / 1 - inch	0.66 - 1.50	0 - 52,000	52,001 -78,000	Above 78,000
1-1/2 - inch	1.50 - 2.65	0 - 104,000	104,001 - 156,000	Above 156,000
2 - inch	2.65 - 6.00	0 - 166,000	166,001 - 249,000	Above 249,000
3 - inch	6.00 - 7.50	0 - 312,000	312,001 - 468,000	Above 468,000
4 - inch	7.50 - 12.00	0 - 520,000	520,001 - 780,000	Above 780,000
Above 4 - inch	Above		Case by Case Basis	

Effluent Service Commodity Rate

Per 1,000 Gallons of Metered Effluent Flow \$ 0.80 \$ 1.00 \$ 2.00

c. Golf Course Accounts

Minimum Monthly Charge

Hammock Dunes Golf Course (HDGC) \$ 10,398.00

Ocean Hammock Golf Course (OHGC) 2,339.55

Commodity Charge [5] Per Identified Customer Account	Irrigable Area (Acres)	Tiered Consumption Ranges Shown in Gallons		
		Tier1	Tier 2	Tier 3
Hammock Dunes Golf Course (HDGC)	96.0	0 - 5,937,700	5,937,701 - 8,906,550	Above 8,906,550
Ocean Hammock Golf Course (OHGC)	124.0	0 - 7,670,000	7,670,001 - 11,504,000	Above 11,504,000

Effluent Service Commodity Rate

Per 1,000 Gallons of Metered Effluent Flow \$ 0.40 \$ 0.50 \$ 1.00

Footnotes:

[4] Effluent service is provided based upon the irrigable area identified by the customer. Appropriate meter sizes are shown in order to provide service to the respective irrigable area service requirement.

[5] Effluent Commodity Rates are billed per 1,000 gallons of metered effluent flow and vary per allotted tier of consumption as identified.

SCHEDULE A

WATER, WASTEWATER AND EFFLUENT RATES AND CHARGES

4 SYSTEM CAPACITY FEES AND OTHER MISCELLANEOUS CHARGES

a. System Capacity Fees	Water System	Wastewater System	Effluent System
Fee per ERC / EIC [6]	\$ 2,958.00	\$ 1,697.00	\$ 2,282.00
Recognized Level of Service (Gallons per Day)	250	225	850
Fee per Gallon	\$ 11.83	\$ 7.55	\$ 2.69
b. Monthly Stand-By Charges per ERC / EIC [6]	Water System	Wastewater System	Effluent System
Phase I	\$ 18.26	\$ 11.76	\$ 8.87
Phase II - Schedule C Properties	\$ 5.27	\$ 5.39	\$ 4.03
c. Water Meter Tap Charge:			
5/8 x 3/4 - inch	\$ 425.00		
1 - inch or Greater	Actual Cost		
d. Meter Installation	Water Meter	Effluent Meter	
5/8 x 3/4 - inch	\$ 500.00	\$ 400.00	
1 - inch or Greater	Actual Cost [7]	Actual Cost [7]	
e. Meter Test			
5/8 x 3/4 and 1 - inch Meters	\$ 40.00		
1-1/2 and 2 - inch Meters	60.00		
Over Compound and Over 2 - inch Meters	Actual Cost		
f. Connection Fees (Only Applicable to Phase 1)	Water System	Wastewater System	Effluent System
Single or Multi-Family Residential Per Unit or ERC or EIC	\$ 1,750.00	\$ 1,750.00	\$ 1,000.00
Non-Residential Per ERC or EIC Equivalent	\$ 1,750.00	\$ 1,750.00	\$ 1,000.00
g. Other Miscellaneous Charges and Fees			
Turn On, Turn Off, Premise Visit, Transfer Service and Reconnect (business hours) - Per Occurrence	\$ 25.00		
Reconnect (after hours) - Per Occurrence	35.00		
Unauthorized Connection or Use (Section 12)	\$250.00 for First Incident,	\$500.00 for Second and Each Subsequent Incident	
Late Payment	10.00		
Back-Flow Prevention Device	35.00	or Actual Cost Whichever is Greater	
Back-Flow Preventer (Annual Inspection)	50.00		
Fire System Maintenance (Per Fire Hydrant)	145.00		
Returned Check	Max Allowed by Law		
Account Suspension	25.00		
Fire Flow Test	85.00		
Hydrant Meter Deposit	500.00		
h. Permit Review Fees			
Water Distribution Systems			
Mains 6 - inch or smaller (Minimum \$250)	\$0.01 / linear ft.		
Mains 6 - inch or larger (Minimum \$250)	\$0.03 / linear ft.		
Wastewater Collection Systems			
Gravity and Force Mains	\$0.05/linear ft.		
Manholes	\$8.00 Each		
Pump Station and Lift Station Wet wells	\$20.00 Each		
Motors (Per Horsepower)		Motors (Per Horsepower)	
0.0 to 5.0	\$ 25.00	45.0 to 64.9	\$ 125.00
5.1 to 14.9	50.00	65.0 to 124.9	150.00
15.0 to 44.9	75.00	125.0 to 199.9	200.00
	100.00	200.0 and Greater	

Footnotes:

[6] ERC = Equivalent Residential Connection

EIC = Equivalent Irrigation Connection

[7] Actual Cost plus a System Contribution multiplied by the number of ERCs or EICs associated with the meter

SCHEDULE A

WATER, WASTEWATER AND EFFLUENT RATES AND CHARGES

5 ANNUAL ADJUSTMENT FOR INFLATION

By June 1 of each year, the District Manager shall examine the U.S. Bureau of Labor Statistics Consumer Price Index For All Urban Consumers, U.S. City Average (1967 = 100), or such other official U.S. Government Consumer Price Index which is most nearly equivalent in the event this index is discontinued (the "CPI"). The District Manager shall determine whether the CPI has experienced a percentage change from the previous June 1. The District Manager shall make a recommendation to the Board regarding the adjustment of the District's Rate Schedule, as defined above, by the percentage change in the CPI, provided that such adjustment shall not exceed three percent (3%) annually, and the Board shall consider such recommendation at a public hearing upon 10 days published notice.

SCHEDULE B

WATER, WASTEWATER AND EFFLUENT RATES - CONTRIBUTED PROPERTY

This schedule shall apply to those areas of the District identified in the attached legal description and also to the properties identified by address in Schedule C. The District has been provided the costs sewer, water and effluent irrigation capacity by agreements with the developers of those areas dated February 12, 1999 with Northshore Hammock, L.P.; February 12, 1999, with Lowe Ocean Hammock, Ltd; and October 16, 2002, with H.D. Associates, L.P.

For the service contemplated by those agreements, the rates, fees and charges contained in Schedule A shall apply with the exception of the following:

1. Connection Fees: There shall be no connection fee for water, wastewater or effluent applicable for the ERCs and EICs contemplated in those agreements for Ocean Hammock or Hammock Beach. Properties identified in Schedule C shall pay the same Connection Fees as Phase I Hammock Dunes.
2. Standby Fees: Monthly Standby charges shall apply to a specific area upon the dedication of the lines or other facilities serving a subdivision or area. The Standby charges set in this schedule are designed to recover costs associated with the overall maintenance and operation of the District's utility system, but not the costs of construction or financing of that system. These rates are subject to change pursuant to action of the Board.

Water	\$	5.27
Wastewater	\$	5.39
Effluent	\$	4.03

3. All other rates, fees, and charges contained in Schedule A shall apply, including but not limited to minimum monthly and commodity charges, meter fees, late charges and enforcement costs, permit review fees and pass through charges except that the minimum monthly charge for the Ocean Hammock Golf Club shall be \$2,700 per month. To the extent the District amends Schedule A, such amendments of applicable rates shall be automatically applied to service provided under this Schedule B.

SCHEDULE C

All Single Family Residential lots located on Calle del Sur starting at number 31 Calle del Sur and ending at 115 Calle del Sur including odd numbered lots only.

All Single Family Residential lots located on North Ocean Shore Blvd. starting at number 3709 North Ocean Shore Blvd. and ending at 3931 North Ocean Shore Blvd. including odd numbered lots only.

**RULES OF THE
DUNES COMMUNITY DEVELOPMENT DISTRICT**

**APPENDIX B
PERTINENT DEVELOPER AGREEMENTS**

Utility Expansion Agreement--Northshore Hammock, L.P.

This agreement ("Agreement") is made and entered into this 12th day of February, 1999, by and between the Dunes Community Development District, a local unit of special-purpose government located in Flagler County, Florida, hereinafter referred to as "District", and Northshore Hammock, L.P., a Georgia limited partnership, authorized to do business in the state of Florida, hereinafter referred to as "Developer".

Recitals

The District was established by a rule of the Florida Land and Water Adjudicatory Commission in October, 1985, in accordance with Chapter 190, Florida Statutes, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure improvements and facilities, including potable water, wastewater (or sewer), and reuse/effluent irrigation facilities (the "Utility System"); and

The District currently owns, operates and maintains the Utility System which provides service to properties within the boundaries of the District; and

The Developer requires assurances that potable water, wastewater (or sewer) and reuse/effluent irrigation services are available to the properties the Developer intends to acquire and develop within the District; and

On September 25, 1998 the District Board of Supervisors ("Board") authorized a utility expansion policy to generally outline the responsibilities for the expansion of the Utility System in areas within the District not presently served by the District; and

On October ___, 1998, the District and Developer entered into an agreement to refine and clarify the District's general policy and their respective undertakings with respect to expanding the Utility System to service specific areas of land within the District; and

The District and the Developer desire to amend the October 1998 agreement and replace it in its entirety with this Agreement to further refine and clarify the respective rights and obligations of the parties.

Now therefore, for and in consideration of the mutual promises and obligations hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged, the District and the Developer agree as follows:

1. Recitals and Scope of Agreement. The recitals so stated above are true and correct and by this reference are incorporated as a material part of this Agreement. The Developer and District agree that this Agreement provides the process by which the Developer shall make requests for utility services (water, wastewater or sewer and effluent/irrigation) to the

Development (as hereinafter defined), subject to applicable provisions of Florida law and the duly adopted rules of the District. As more fully set forth below, the Developer has asked the District to ensure the provision of 125,000 gallons per day of sewer treatment plant capacity. The District will promptly, upon the execution of this Agreement, begin to take the steps necessary, subject to the terms and conditions herein, to construct the sewer treatment plant capacity. Future increments of sewer treatment plant capacity will be requested in accordance with the provisions of this Agreement. References in this Agreement to multiple letters of credit are meant to acknowledge the potential incremental need for sewer treatment plant capacity to serve the Development or supplemental letters of credit to provide the entire cost of an expansion. As of the date of execution of this Agreement, the Developer has not requested water capacity. As of the date of execution of this Agreement, the Developer acknowledges that there is no water, sewer or effluent utility service available to serve the Development.

2. Definitions.

(i) "Capital Expansion Fee" shall be as defined in Article I of the Second Supplemental Trust Indenture by and between the District and the Trustee dated December 1, 1988, as amended and supplemented by a First Amendment to the Second Supplemental Trust Indenture dated August 1, 1992 for the District's Revenue Refunding Bonds (Water and Sewer Project) Series 1992 (the "Second Supplemental Indenture").

(ii) "Capital Expansion Fee Fund" shall be that fund provided for in the Second Supplemental Indenture.

(iii) "Trustee" shall be that Trustee designated by the District in accordance with and pursuant to the Second Supplemental Indenture.

(iv) "Bonds" shall mean the obligations of the District authorized to be issued pursuant to Sections 2.01, 3.02 and 3.03 of the Second Supplemental Indenture.

(v) "Cost" or "cost" shall include the items specified in s. 190.003(7), F.S.

(vi) All other terms used in this Agreement not specifically defined shall have the meaning ascribed in the Second Supplemental Indenture or Chapter 190, Florida Statutes. To the extent of a conflict, the term shall be given the meaning consistent with the intent of this Agreement.

3. Sewer Capacity

A. Existing facilities. The District has an existing 250,000 gallon per day sewer treatment plant which is providing sewer service to or has been reserved for use by existing

portions of "Phase I" of the District; however, the sewer treatment plant is not fully utilized at this time, i.e., flows into the plant are less than the permitted capacity. A 250,000 gallon per day expansion of the sewer treatment plant, which will be necessary in the future to serve additional land areas within the District, has been designed and permitted by the District.

B. Developer request. Developer has requested that the District enter into this Agreement to assure Developer that the District currently has or will have sufficient sewer treatment plant capacity to serve its development of the areas of land described on Exhibit A attached hereto and by this reference made a part hereof (the "Development"). Developer has advised the District that over the next 10 years, it will need approximately 476,000 gallons per day of sewer treatment plant capacity to serve the Development, subject to change due to a variety of factors, including market conditions, permitting and construction timetables. As of the date of this Agreement, Developer is asking the District to make provision for 125,000 gallons of sewer treatment plant capacity to serve 527 ERCs within the Development

1. With respect to the District's initial 250,000 gallon per day sewer treatment plant expansion, Developer has agreed to post cash in the amount of its pro rata share requested by the District to enable the District to commence construction of the sewer treatment plant expansion. To the extent Developer's pro rata share of the actual cost of the expansion exceeds the funds provided by the Developer, whether due to site conditions, permitting or regulatory requirements, unforeseen increased labor costs, or other increases due to circumstances not initiated by the District, Developer agrees to provide its pro rata share of such additionally needed monies within 7 days of a request by the District. The District agrees that these monies will only be used to fund the sewer treatment plant capacity expansion and will not be used for or pledged as security for any other District obligation. The District shall separately account for these funds in a manner consistent with governmental accounting procedures.

2. The Developer agrees that notwithstanding any other provision of this Agreement, no SPCEF shall be set for the ERCs to be served by the 250,000 gallon per day sewer treatment plant expansion, and that connection fees designed to recover the costs of such capacity shall not be applied..

3. If, at the time of completion of the sewer treatment plant expansion, the Developer's pro rata share of the costs (50%) of the expansion are less than the amount of cash delivered by the Developer to the District for the expansion, such excess funds shall be remitted to the Developer.

4. Upon Developer's payment of the funds required pursuant to 3B1 above, the District shall reserve 125,000 gallons per day of sewer treatment plant capacity for the Development.

C. District certifications; conditions. The District agrees that, subject to 1) the Developer delivering one or more letters of credit in form and in amounts as required from time to time by this Agreement; or 2) receipt of sufficient funds from the Developer under the terms of this Agreement; and 3) subject to the provisions of paragraph 3D(ii) as it applies to requests for sewer treatment capacity other than the Developer's pending request for 125,000 gallons, the District will, at the Developer's request, (i) make the certifications required to evidence that sewer treatment plant capacity is available for the Development in order for the Developer to obtain the necessary permits from the various regulatory authorities with jurisdiction over the Development or construction of any improvements within the Development, and (ii) from time-to-time issue letters to such third parties as the Developer may identify, confirming that, subject to the Developer complying with its obligations under this Agreement, sewer treatment plant capacity is available for the Development.

D. Determination of cost of capacity. The provisions of the following paragraphs 3D through 3I shall apply to future requests for sewer treatment plant capacity and not to the Developer's present request for 125,000 gallons per day. The District, in its sole discretion, in accordance with its applicable rules and regulations, the laws of the State of Florida and the following procedures will determine the cost of the expansion of the sewer treatment plant required from time to time to meet Developer's sewer treatment plant capacity requirements for the Development.

(i) Definition. The term "sewer treatment plant" shall mean all systems, facilities, or property useful or necessary to treat, purify or dispose of sewage which can be permitted under Florida law. The term "sewer treatment plant" does not include collection lines, force mains, lift stations, or laterals. To the extent a system, facility or property could be characterized as either a portion of the sewer treatment plant or the effluent/irrigation system, the District shall, in its sole discretion, determine to which system those facilities and its costs are reasonably, justly and equitably allocated.

(ii) Future requests. As to the Developer's future requests for evidence of sewer treatment plant capacity pursuant to paragraph 3C, the Developer acknowledges that such requests may occur at a time when the actual usage of the sewer treatment plant's then-existing capacity as determined by the District Engineer may be so high that the District Engineer may advise the Board that issuance of the certifications and/or letters described in paragraph 3C should be delayed. In the event the Board accepts the District Engineer's determination that there should be a delay, the District shall reevaluate the basis for the delay on a quarterly basis and seek to eliminate the delay as quickly as possible. In the event of such delay, the Developer shall have the election to either withdraw its request for sewer treatment plant capacity or continue with the request and post the requisite letter of credit to cover the cost of the requested sewer treatment plant capacity as determined in this Agreement. In the event the Developer posts the letter of credit in accordance with this Agreement, the District will provide the requested certifications and/or letters required under paragraph 3C.

(iii) Calculation of cost; amount of letter of credit. The District Engineer shall prepare a report to the Board which sets forth a good faith estimated cost of the expansion of the sewer treatment plant. The Board shall take final action to review, amend if necessary, and approve the estimated cost of the sewer treatment plant expansion and determine the amount of the letter of credit, which shall not exceed 110% of the cost as determined by the Board. The letter of credit shall be from a National Bank, subject to the District's approval as to the form of the letter and the bank on which it is drawn, which approval shall not be unreasonably withheld, conditioned or delayed. The letter of credit shall be delivered to the District within 10 business days of the Board's determination of the amount to be posted. Cash may be posted with the District in lieu of a letter of credit, and any and all references in this Agreement to letters of credit shall include cash balances posted with the District by the Developer in lieu of letters of credit.

E. District right to draw on letter of credit. The District shall be entitled to draw on a letter of credit when it is necessary to commence work on the expansion of the sewer treatment plant for which a letter of credit has been posted, which activities include study, permitting, design and engineering. The District's activities to expand its sewer treatment plant shall be done in accordance with then-existing permit conditions, Florida statutes, Florida Department of Environmental Protection rules, and applicable regulations of other governmental regulatory bodies with jurisdiction. The proceeds of all funds drawn on the Developer's letter(s) of credit will be deposited in the Capital Expansion Fee Fund, if Capital Expansion Fees are established.

F. Establishment of Sewer Plant Capital Expansion Fee. In connection with each increment of sewer treatment plant capacity expansion requested by the Developer under this Agreement, other than the initial request for 125,000 gallons, the District, upon the request of the Developer, shall establish a Sewer Plant Capital Expansion Fee ("SPCEF") to be imposed in the specific areas to be served by the intended sewer treatment plant capacity expansion. The SPCEF is consistent with the term "Capital Expansion Fee", and is a nonrefundable, nonuser capacity charge reflecting the proportionate share of the costs of expanding, oversizing, separating or constructing the expansion of the sewer treatment plant. If an SPCEF is set, the District shall designate the customers in the areas to be served by the sewer treatment plant expansion as a new class of customers who will be charged the SPCEF.

G. Collection of SPCEF; deposit of funds. The District will collect the SPCEF no later than the time a potable water meter is requested. The District agrees to deposit with the Trustee as long as the Bonds are outstanding, all SPCEF collected for deposit to the Capital Expansion Fee Fund provided for in the Second Supplemental Indenture to be used in accordance with Section 5.08 of the Second Supplemental Indenture. If there are no Bonds outstanding at any time, the District agrees to hold the SPCEFs collected separate and apart from all other District revenues and to use the SPCEFs solely for the costs of the applicable expansion of the sewer treatment plant.

(i) Reduction in letter of credit by SPCEFs collected. Subject to the provisions of paragraph 3I below, each quarter, the District shall determine the total amount of SPCEFs collected, and take all actions reasonably necessary to reduce the Developer's letter(s) of credit by a like amount, such that the total amount of the letters of credit available to the District together with the SPCEFs on hand shall be equal to the cost of the applicable sewer treatment plant expansion. If the District is in the process of actually expanding its sewer treatment plant, the District may in its discretion use the SPCEFs collected to pay the direct costs associated with those expansion activities.

(ii) Interest earnings on SPCEFs. Interest earnings on the SPCEFs in the Capital Expansion Fee Fund shall remain in that fund to be used for the same purposes as the SPCEFs. Annually, within 30 days of the end of the District's fiscal year, the District shall determine the amount of interest earned, if any, on SPCEFs collected from the Development, and take all actions reasonably necessary to reduce the amount of the Developer's letter(s) of credit available to the District in an amount of those earnings.

(iii) Separate accounting for SPCEFs. If the District has entered into more than one Utility Expansion Agreement and is collecting more than one SPCEF, then the District shall take all actions reasonably necessary to account for the SPCEFs attributable to each developer's obligation, including interest earnings, even though all such monies may be deposited to a single Capital Expansion Fee Fund.

H. District right to draw on letter of credit. If, at the time any of the Developer's letters of credit are delivered to and accepted by the District, the District and the Developer are unable to agree on a schedule of periodic draws against such letter of credit, the District will have the right to draw up to 100% of such letter of credit at such time as the activities necessary for the expansion of the sewer treatment plant have commenced.

(i) Recovery of funds advanced; SPCEFs insufficient to fully reimburse costs of expansion. The District agrees that during the "Recovery Period" (as hereinafter defined) it will pay to the Developer an amount equal to the aggregate SPCEFs collected by the District up to the amount of the actual costs of the sewer treatment plant expansion advanced by the Developer. The term "Recovery Period" shall mean the lesser of (i) a period of 20 years from the date of posting of the Developer's letter of credit, or (ii) if the useful life of the facilities being expanded is less than 20 years as determined by the District, then the District will pay over that shorter period as the District may determine. If the amount of SPCEFs collected over the Recovery Period is less than the amount of the Developer's letter of credit or any other amounts funded by the Developer to pay the costs of the sewer treatment plant expansion, the Developer hereby waives and releases any claim to such shortfall. If no SPCEFs are established, the Developer shall not be entitled to reimbursement for any funds advanced.

(ii) Costs of expansion less than funds advanced. If, at the time of the completion of the applicable sewer treatment plant expansion, the costs of the expansion are less

than the aggregate amount of the letters of credit or cash delivered by the Developer to the District for that expansion, the excess letters of credit amounts or funds shall be remitted to the Developer (whether in cash due to a draw on a letter of credit, cash deposits, or SPCEFs collected, or in the form of a release of the remainder of a letter of credit).

I. Actual cost of expansion exceeds initial letter of credit amount; security for commitment to provide additional funds. Developer agrees and understands that its obligation to post letters of credit is based on the District's good faith estimate of the costs of expanding its sewer treatment plant to provide the capacity to meet the needs of the Development. To the extent the actual cost of the expansion of the sewer treatment plant exceeds the amount contained in the letter of credit together with the SPCEFs collected (and interest earnings thereon), the Developer agrees to post additional letters of credit or cash to cover its proportionate share of the additional costs of the expansion. To secure the Developer's commitment to fund these additional costs, the Developer agrees that beginning on the date the District imposes any SPCEFs, the District will not be obligated to remit same to the Developer until the District has adequate assurance that the additional funds are available. If the Developer fails to provide the additional funds called for by this paragraph, the District may utilize the SPCEFs it holds or receives to fund the additional requirements, in which case Developer shall not be entitled to recover those SPCEFs.

4. Water Capacity

A. Existing capacity. The District presently has an agreement with Palm Coast Utility Corporation (PCUC) under which it is entitled to purchase water capacity from PCUC for sale to District customers (the "PCUC Water Agreement"). As of the date of this Agreement, the District has purchased 200,000 gallons of water capacity to serve the existing Phase I development. The Developer is desirous of having the District expand the capacity of its water system in the future to enable the District to provide service to the Development.

B. Two year estimate of use; purchase of additional capacity. Under the present terms of the PCUC Water Agreement, in general, at specific points in time, the District looks 2 years ahead to determine the amount of additional water capacity it needs. The District will notify Developer ninety days prior to the time the District provides its 2-year estimate to PCUC. Developer agrees that no later than 45 days prior to the point in time that the District provides its 2-year estimate to PCUC, Developer will provide the District with a good faith estimate of the number of connections and amount of water capacity the Development will need in that 2 year period. The District Engineer shall review that information and determine the amount of water capacity needed to serve that portion of the Development in that time frame.

(i) Estimate of cost. The District Engineer shall review the calculation of costs of the water as provided by PCUC under the terms of the PCUC Water Agreement, and shall provide Developer with the total amount due to purchase the water capacity needed for that two year period of time for the Development. The District Engineer shall present to the District

Board its calculations of amount and cost of the water capacity needed by Developer. The District Board shall finally determine and authorize, in accordance with the PCUC Water Agreement and prevailing Florida statutes and rules, the purchase of additional water capacity for the Development, subject to receipt of adequate funds as provided below.

(ii) Developer request outside 2 year period; notice to District. Notwithstanding the time periods described above, if the Developer wishes to reserve water capacity for all or any portion of the Development, it shall provide a written request for same to the District. Such request shall include the amount of water capacity needed, the estimated number of ERCs to be served, the area to be served, and the time frame in which the water capacity is needed. Upon receipt of that request, the District Engineer shall review the request, and seek an estimate of cost from PCUC under the terms of the PCUC Water Agreement. After review of the necessary information, the District Engineer shall present to the District Board the calculation of the amount and cost of the water capacity sought by the Developer. The District Board shall finally determine and authorize, in accordance with the PCUC Water Agreement and prevailing Florida statutes and rules, the purchase of additional water capacity for the Development, subject to receipt of adequate funds as provided below. Developer agrees that it shall make requests of the District for water capacity purchases at least 6 months in advance of needing the capacity.

C. Developer to fund expansion. Developer agrees that once the District Board has authorized the purchase of water capacity for all or any portion of the Development, it shall make the total amount of funds needed to purchase that water capacity available to the District within 10 business days of written request for same.

D. District certification conditions. The District agrees that, subject to the Developer's payment of the amount due under paragraph C above, the District will, at the Developer's request, (i) make the certifications required to evidence that potable water capacity is available for the Development in order for the Developer to obtain the necessary permits from the various regulatory authorities with jurisdiction over the Development or construction of any improvements within the Development, and (ii) from time-to-time issue letters to such third parties as the Developer may identify, confirming that, subject to the Developer complying with its obligations under this Agreement, that potable water capacity is available for the Development.

E. Water System Capital Expansion Fee. The Developer and District agree that the payment of funds to secure the necessary water capacity for the Development shall mean that no Water System Capital Expansion Fee is necessary for the Development, and that the existing connection fees designed to recover the costs of such capacity will not be applied to the Development.

5. Effluent/Irrigation Water

A. Existing irrigation capabilities. The District presently has an agreement with PCUC to supply the District with effluent for irrigation, including certain "minimum take" provisions. In addition, the District has undertaken, subject to a funding agreement with another developer, to construct a test well for irrigation purposes. The District may, in its sole discretion, also seek to obtain irrigation water from "Ditch 10"; however, such use would require an additional permit which the District has not obtained. The District is also considering, in its pending rulemaking proceeding, the adoption of an irrigation conservation policy. The District intends to proceed in good faith to take those actions it deems reasonably necessary to provide sufficient effluent for irrigation; however, nothing herein shall guarantee that on any particular day or time, sufficient effluent or irrigation water shall be available. The District will use its best efforts to provide effluent or irrigation water under reasonable terms and conditions. References to "effluent/irrigation treatment plant capacity" shall include, but is not limited to storage capacity or development of irrigation water alternative systems.

B. Developer need for irrigation. The Developer is in need of effluent or irrigation water for irrigation for its residential properties and common areas. Developer has estimated that it needs 523,330 gallons per day to meet its residential and common area irrigation needs. This equates to approximately 615 EICs (Effluent Irrigation Connections). These estimates are based upon the application demands of one inch per week for residential/common area. The Developer presently expects that the use of this irrigation water will occur over the next several years, subject to change due to a variety of factors, including market conditions, permitting and construction timetables. The residential and common area to be served is identified in Exhibit A as the Development.

(i) The District and the Developer believe, based on the design and consumption assumptions contained herein and the facilities currently under construction that are being funded by Developer, that the District will have sufficient storage and effluent/irrigation treatment plant capacity to accommodate Developer's need. This capacity includes the irrigation well presently under construction and permitting, as well as the expansion of the existing storage ponds. The Developer agrees that it will continue to fund its pro rata share of the construction of the facilities necessary to expand the effluent/irrigation water system of the District, including the drilling of a well presently underway. However, in the event consumption patterns within the Development, regulatory requirements, or other unforeseen circumstances arise necessitating additional capacity to serve the Development, Developer agrees that no less than 12 months prior to Developer's expected need for any additional effluent/irrigation demand for the Development, it will make a written request to the District for the provision of effluent/irrigation water.

(ii) Upon receipt of that request, the District Engineer shall review it, and make an estimate of the cost to meet the requested need. The District and the Developer agree to work in good faith to reach an agreement as to the facilities necessary to accommodate the expansion. After review of the necessary information, the District Engineer shall present to the

District Board the description and calculation of the amount and cost of the expansion of the effluent/irrigation treatment plant capacity sought by the Developer. The District Board shall finally determine and authorize the amount, type and cost of the expansion of the effluent/irrigation treatment system, in accordance with the prevailing Florida statutes and rules, and subject to receipt of adequate funds as provided in paragraph 5C below.

C. Developer to advance funds for expansion. The Developer agrees to provide the District with sufficient funds to cover the cost of the expansion of any necessary effluent treatment plant capacity to enable effluent to be used for irrigation, including but not limited to additional storage capacity, or the expansion of an irrigation water alternative system for the areas identified by the Developer, pursuant to a funding agreement with the District. The District shall not reimburse the Developer under the terms of that funding agreement for costs advanced. Rates, fees and charges applicable for service to areas where such facilities have been funded by the Developer shall be in accordance with the rules duly adopted by the District and in accordance with this Agreement.

6. Other Utility Facilities

A. Installation of facilities by Developer; dedication to District. Developer agrees to install or cause to be installed, at its sole cost and expense, all other utility systems, facilities, plant and property necessary to provide service to the Development. This includes all collection and distribution facilities, lift stations, and subdivision lines, whether for water, sewer or effluent/irrigation. Developer agrees that it will, upon completion, dedicate such systems, facilities and plant to the District at no cost or expense to the District, together with any reasonably required easements, licenses or property interests.

B. District approval of Developer plans. Developer agrees that prior to the installation of any such utility facilities which may ultimately be dedicated to the District for the provision of utility service, it will submit to the District its plans for review and approval by the District Engineer. All such installations and review shall be in accordance with the Districts rules.

7. Applicable District Rates, Fees and Charges

A. Inasmuch as new class or classes of customers served by the utility system expansion contemplated in this Agreement will either be paying the SPCEF, or receiving service through facilities that have been funded by the Developer, the District agrees that it is appropriate to review its existing rate structure to ensure that the application of all other existing rates, fees and charges are appropriate. The District Board hereby authorizes the drafting of specific rule language to be considered in its pending rulemaking proceeding to:

1. provide for the establishment of the Sewer Plant Capital Expansion Fee as necessary for the areas subject to this Agreement;

2. consider the elimination of the existing connection fees for this new area as unrelated to the costs associated with the expansion;

3. consider a reduction in standby charges for this area to an amount necessary solely for the operation and maintenance of the District utility system as a whole, inasmuch as a portion of the existing standby charge appears to have been set to recover costs not associated with the expansion of the systems;

4. require that standby charges for an area within the Development be imposed upon the dedication of the lines and other facilities servicing this area to the District in accordance with the preceding paragraph 6;

5. provide that all meter fees shall be the same for all areas of the District, as those costs do not differ by expansion of the system;

6. provide that minimum monthly charges and commodity charges shall apply to all active connections;

7. revise, as necessary to accommodate permitting deadlines and encourage the timely, efficient and economical provision of service, existing rules regarding the review and approval of utility system expansion plans by the District and standards and conditions for interconnection of new facilities; and

8. set forth the District's utility expansion policy by rule such that future developers wishing to have service in their areas can be reasonably informed of the District's intention with respect to the financing and provision of those services, including but not limited to any additional expansion necessary to serve Phase I.

9. such other revisions as may be necessary to carry out the intent of this Agreement.

B. The District agrees to proceed in good faith to consider and adopt rules to cover these matters in a timely manner. The Developer reserves all rights to participate in the District's rulemaking process.

8. Future Utility Expansions Notwithstanding any other provision of this Agreement, nothing herein shall in any way limit the District's ability to plan for and provide additional utility service within its boundaries, nor prevent it from entering into other agreements for the expansion of the utility system with other landowners or developers, provided that any such other agreements

shall not materially adversely affect the District's ability to fulfill its obligations and duties under this Agreement, nor increase the capital costs to the Developer without the consent of the Developer. The District, in its sole discretion and consistent with then-existing Florida law and rules and sound engineering practice, shall determine the appropriate increment of utility system expansions needed in the future. Nothing herein shall require the District to take any action in contravention of Florida law, including but not limited to the requirement to set just, equitable and uniform rates for users of the same class, and to meet the debt service on its outstanding bonds. Nothing herein shall prevent the District from taking all actions reasonably necessary to comply with applicable environmental rules, regulations, laws or enforcement actions relating to the operation of its utility system, and nothing herein shall limit the fair share obligation of the Developer or future customers, if any, for these changes or actions.

9. Tax Liability. The Developer agrees to indemnify the District from and make payment for any and all tax liability, ad valorem, personal property, intangibles or otherwise, which may be imposed upon the District or the Developer as a result of the Developer entering into this Agreement, whether such taxes are imposed upon the District's property or property interest, or Developer's property or property interest, or any other such tax. The Parties agree to provide notice to the other within ten (10) calendar days of receipt of any notice of potential or actual tax liability from a taxing authority. The Developer covenants to pay such taxes in a timely manner in accordance with Florida law. The Developer agrees to make payment directly to the taxing authority. In the event that the Developer fails to make timely payment of any such taxes, the Developer acknowledges the District's right to make such payment. If the District makes such payment, the Developer agrees to reimburse the District within seven (7) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District. The Parties reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax in good faith they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

10. No taxes or assessments. Nothing in this Agreement shall in any manner obligate or require the District to impose any taxes or assessments on any property within the District to finance or fund the costs of expansion of the water, sewer or effluent irrigation facilities.

11. Indemnification. The Developer agrees to indemnify and hold harmless the District and its officers, staff, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or claims of any nature, arising out of, or in connection with, this Utility Expansion Agreement, including litigation or any appellate proceedings with respect thereto; provided, however, that the Developer shall not indemnify the District for a default by the District under this Agreement.

12. Default. A default by the Developer under this Agreement shall entitle the District to all remedies available at law or in equity, which may include, but not be limited to, the

right of damages, injunctive relief and specific performance. A default by the District under this Agreement shall entitle the Developer to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief and specific performance.

13. Enforcement of Agreement. In the event that the District is required to enforce this Agreement by court proceedings or otherwise, then the Developer agrees that if the District is the prevailing party then the District shall be entitled to recover from the Developer all costs incurred, including reasonable attorneys' fees for trial, alternative dispute resolution, or appellate proceedings. In the event that the Developer is required to enforce this Agreement by court proceedings or otherwise, then the District agrees that if the Developer is the prevailing party then the Developer shall be entitled to recover from the District all costs incurred, including reasonable attorneys' fees for trial, alternative dispute resolution, or appellate proceedings.

14. Liability. Nothing in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability contained in section 768.28, Florida Statutes, or other statute.

15. Agreement. This instrument shall constitute the final and complete expression of this Agreement between the parties relating to the subject matter of this Agreement.

16. Amendments. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto.

17. Authorization. The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this instrument.

18. Notices. All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

A. If to Developer: Northshore Hammock, L.P.
12 Office Park Drive
Palm Coast, FL 32137

Attention: Edward R. Ginn

With a copy to: John G. Morris, Esq.
Morris, Manning & Martin, L.L.P.
1600 Atlanta Financial Center
3323 Peachtree Road N.E.
Atlanta, GA 30326

and

Dean Adler
LA-Hammock, LLC
Suite 800 Belgravia Building
1811 Chestnut Street
Philadelphia, PA 19103

B. If to District: Dunes Community Development District
5000 Palm Coast Parkway
Palm Coast, Florida 32037
Attn: Gary Moyer

With a copy to: Hopping Green Sams & Smith, P.A.
123 South Calhoun Street
Post Office Box 6526
Tallahassee, Florida 32314
Attn: Cheryl Stuart

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address set forth herein. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the parties may deliver Notice on behalf of the parties. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

19. Third Party Beneficiaries. This Agreement is solely for the benefit of the Developer and District and their successors and assigns, as permitted hereunder, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any other person or legal entity. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any other person or legal entity other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.

20. Assignment. Except as otherwise provided herein, neither party may assign this Agreement or any monies to become due hereunder without the prior written approval of the other party, which approval shall not be unreasonably withheld, conditioned or delayed. Developer shall, have the right from time to time to assign or transfer utility capacity reserved by the Developer pursuant to this Agreement to any successor(s) in title to all or any portion of the lands comprising the Development; provided however that without the District's prior approval, which shall not be unreasonably withheld, conditioned, or delayed, such assignment or transfer shall not affect Developer's obligations or rights under this Agreement to finance capacity expansions, including but not limited to the posting of letters of credit or funding water or effluent or irrigation expansions.

21. Controlling Law. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida.

22. Negotiation at Arms Length. This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

23. Effective Date. The Agreement shall be effective after execution by both parties hereto.

24. Public Records. The Developer understands and agrees that all documents of any kind provided to the District or to District Staff in connection with the activities contemplated under this Agreement are public records and are treated as such in accordance with Florida law.

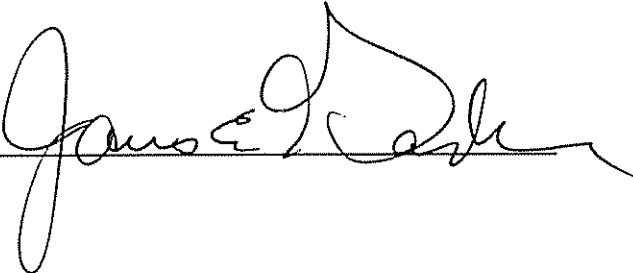
25. Severability. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

In Witness whereof, this Agreement has been entered into as of this 12th day of February, 1999.

Dunes Community Development District

Attest:



By: 

Northshore Hammock, L.P., a Georgia
limited Partnership

By: Northshore G.P., L.L.C. General Partner

Attest:


By: 
Edward R. Ginn, Manager

**DUNES COMMUNITY
DEVELOPMENT DISTRICT**

5000 Palm Coast Parkway
Palm Coast, FL 32137
(904) 445-9045
(904) 445-9043 Facsimile

February 17, 1999

Edward R. Ginn, Manager
Northshore Hammock, L.P.
12 Office Park Drive
Palm Coast, FL 32137

INVOICE FOR PHASE 1A UTILITY EXPANSIONS

As stipulated in the Utility Expansion Agreement between Northshore Hammock, L.P. and the Dunes Community Development District, please forward payment as described below and on the attached schedule (Table 1) to the District at the above address. In order to issue notice to proceed with the construction contracts currently in place, payment is requested within 10 days.

Total costs per Committed Cost Schedule (Table 1)

\$1,685,852.00

Table 1

Dunes CDD Phase 1A Improvements: Committed Cost Schedule



Item No.	Work Item Description	Work Authorization #	Cost Distribution					
			Low	Northshore	Total	Dunes CDD	Hammock Dunes G.C.	Total Cost
1	Wastewater Treatment Facility Expansion (Phase 1A) - Design	84	\$104,500	\$104,500	\$209,000			\$209,000
2	Wastewater Treatment Facility Expansion (Phase 1A) - Bidding	87	\$3,961	\$3,961	\$7,922			\$7,922
3	Wastewater Treatment Facility Expansion (Phase 1A) - Construction		\$894,500	\$894,500	\$1,789,000			\$1,789,000
4	Wastewater Treatment Facility Expansion (Phase 1A) - Construction Administration/Inspection		\$86,900	\$86,900	\$173,800			\$173,800
5	Pond 3 Expansion		\$475,597	\$51,582	\$527,179			\$527,179
6	Pond 3 Expansion - Design and Construction Administration	82	\$51,186	\$5,551	\$56,737	\$16,030	\$4,690	\$77,457
7	Pond 4		\$225,000	\$225,000	\$450,000			\$450,000
8	Pond 4. Reclaimed Strainer. OHGCPs - Design and Construction Administration	90	\$33,890	\$25,527	\$79,417	\$5,673		\$85,090
9	Ocean Hammock Golf Course Pump Station		\$250,000		\$250,000			\$250,000
10	Ground Water Test Wells - Planning/Hydrogeotechnical	88	\$8,967	\$8,968	\$17,935			\$17,935
11	Ground Water Test Wells - Design/Construction Administration	91	\$7,962	\$7,963	\$15,925			\$15,925
12	Ground Water Test Wells - Construction		\$25,881	\$25,882	\$51,763			\$51,763
13	Ground Water Test Wells - Design and Construction (treatment/transmission)		\$40,000	\$40,000	\$80,000			\$80,000
14	Ground Water Test Wells - Consumptive Use Permit	93	\$10,232	\$10,233	\$20,465			\$20,465
15	Permitting (WWTP Phase 1A)		\$2,500	\$2,500	\$5,000			\$5,000
16	Legal and Administration		\$10,000	\$10,000	\$20,000			\$20,000
17	Engineering Reports		\$29,006	\$18,128	\$47,134			\$47,134
18	Financing		\$47,500	\$47,500	\$95,000			\$95,000
	Subtotal		\$2,327,585	\$1,568,693	\$3,896,278	\$21,703	\$4,690	\$3,922,670
	Contingency (for WWTF expansion, contingency projected to be 8.65%)	15%	\$154,660	\$117,160	\$271,819			\$271,819
	Subtotal		\$2,482,245	\$1,685,853	\$4,168,097	\$21,703	\$4,690	\$4,194,490
19	Hammock Dunes Golf Course Pump Station						\$115,000	\$115,000
20	Reclaimed Water Strainer					\$50,000		\$50,000
	Chlorine Injection (In-situ transmission)					\$10,000		\$10,000
	Total		\$2,482,245	\$1,685,853	\$4,168,097	\$81,703	\$119,690	\$4,269,490

EXHIBIT "A"LEGAL DESCRIPTIONDEVELOPMENT AREA C:

A PARCEL OF LAND BEING A PORTION OF GOVERNMENT SECTIONS 20, 21, 28, 29 AND 40, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF 16TH ROAD (AN 80.00 FOOT WIDE RIGHT-OF-WAY) AND THE WEST LINE OF GOVERNMENT SECTION 29, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA; THENCE N71°10'52"E ALONG SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD A DISTANCE OF 98.10 FEET; THENCE DEPARTING SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD N20°47'52"W A DISTANCE OF 142.41 FEET; THENCE N17°50'12"W A DISTANCE OF 113.97 FEET; THENCE N03°41'59"W A DISTANCE OF 195.76 FEET; THENCE N07°50'10"W A DISTANCE OF 175.05 FEET; THENCE N13°14'09"E A DISTANCE OF 52.18 FEET; THENCE N07°36'55"E A DISTANCE OF 55.29 FEET; THENCE N09°12'42"W A DISTANCE OF 120.77 FEET; THENCE N08°15'57"E A DISTANCE OF 103.66 FEET; THENCE N06°54'06"W A DISTANCE OF 211.51 FEET; THENCE N15°04'13"W A DISTANCE OF 166.16 FEET; THENCE N00°17'49"E A DISTANCE OF 127.19 FEET; THENCE N05°34'25"W A DISTANCE OF 92.88 FEET; THENCE N21°19'39"W A DISTANCE OF 154.78 FEET; THENCE N36°46'01"W A DISTANCE OF 100.09 FEET; THENCE N31°12'25"W A DISTANCE OF 140.61 FEET; THENCE N24°28'06"W A DISTANCE OF 104.57 FEET; THENCE N28°30'24"W A DISTANCE OF 166.46 FEET; THENCE N55°59'44"W A DISTANCE OF 189.15 FEET; THENCE N23°58'57"W A DISTANCE OF 160.70 FEET; THENCE N48°19'39"W A DISTANCE OF 109.90 FEET; THENCE N13°27'28"W A DISTANCE OF 107.80 FEET; THENCE N77°16'02"W A DISTANCE OF 146.92 FEET; THENCE N13°02'02"E A DISTANCE OF 62.03 FEET; THENCE S68°46'59"E A DISTANCE OF 108.95 FEET; THENCE N68°58'46"E A DISTANCE OF 72.14 FEET; THENCE N09°57'13"E A DISTANCE OF 99.69 FEET; THENCE N00°32'26"E A DISTANCE OF 129.44 FEET; THENCE N12°49'52"W A DISTANCE OF 115.20 FEET; THENCE N12°53'10"W A DISTANCE OF 143.83 FEET; THENCE N22°58'43"W A DISTANCE OF 100.23 FEET; THENCE N33°40'35"W A DISTANCE OF 54.84 FEET; THENCE N69°29'29"W A DISTANCE OF 55.90 FEET; THENCE S70°55'53"W A DISTANCE OF 83.76 FEET; THENCE N33°35'46"W A DISTANCE OF 96.46 FEET; THENCE N26°44'08"E A DISTANCE OF 76.05 FEET; THENCE N65°59'46"E A DISTANCE OF 153.54 FEET; THENCE N00°45'31"E A DISTANCE OF 59.23 FEET; THENCE N74°25'41"W A DISTANCE OF 142.71 FEET; THENCE S54°44'52"W A DISTANCE OF 98.62 FEET; THENCE N89°40'32"W A DISTANCE OF 103.81 FEET; THENCE S69°59'06"W A DISTANCE OF 177.44 FEET; THENCE N21°56'40"W A DISTANCE OF 190.10 FEET; THENCE N72°09'53"E A DISTANCE OF 73.27 FEET; THENCE N25°21'31"E A DISTANCE OF 51.98 FEET; THENCE N44°34'56"E A DISTANCE OF 278.74 FEET; THENCE N05°03'34"E A DISTANCE OF 40.80 FEET; THENCE S79°47'45"W A DISTANCE OF 260.43 FEET; THENCE S70°06'52"W A DISTANCE OF 123.21 FEET; THENCE N19°15'37"W A DISTANCE OF 87.11 FEET; THENCE N73°37'08"E A DISTANCE OF 91.79 FEET; THENCE N11°27'27"E A DISTANCE OF 47.51 FEET; THENCE N76°15'40"E A DISTANCE OF 211.80 FEET; THENCE N12°02'29"E A DISTANCE OF 87.21 FEET; THENCE N64°48'00"W A DISTANCE OF 187.66 FEET; THENCE S03°55'05"W A DISTANCE OF 72.44 FEET; THENCE N67°38'26"W A DISTANCE OF 185.17 FEET; THENCE N22°18'22"W A DISTANCE OF 198.89 FEET; THENCE N37°45'16"E A DISTANCE OF 134.01 FEET; THENCE N65°09'24"E A DISTANCE OF 109.14 FEET; THENCE S77°29'34"E A DISTANCE OF 172.44 FEET; THENCE S88°35'19"E A DISTANCE OF 447.89 FEET; THENCE N89°20'43"E A DISTANCE OF 429.08 FEET; THENCE S86°58'40"E A DISTANCE OF 25.39 FEET; THENCE S06°40'40"E A DISTANCE OF 55.03 FEET; THENCE S02°29'33"E A DISTANCE OF 96.87 FEET; THENCE S08°53'19"E A DISTANCE OF 107.15 FEET; THENCE S06°53'10"E A DISTANCE OF 100.44 FEET; THENCE S52°35'51"E A DISTANCE OF 21.71 FEET; THENCE S15°35'15"E A DISTANCE OF 168.91 FEET; THENCE

S50°22'42"E A DISTANCE OF 96.96 FEET; THENCE S34°36'29"E A DISTANCE OF 39.71 FEET; THENCE S02°36'13"E A DISTANCE OF 53.35 FEET; THENCE S08°23'02"E A DISTANCE OF 69.12 FEET; THENCE S07°15'53"E A DISTANCE OF 81.92 FEET; THENCE S02°29'07"E A DISTANCE OF 61.48 FEET; THENCE S05°23'23"W A DISTANCE OF 65.53 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 25.94 FEET, A CENTRAL ANGLE OF 08°29'40" AND A CHORD BEARING S26°54'59"W, 25.92 FEET TO A POINT OF TANGENCY; THENCE S22°40'09"W A DISTANCE OF 393.07 FEET; THENCE S11°04'19"E A DISTANCE OF 653.09 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 70.03 FEET, A CENTRAL ANGLE OF 22°55'40" AND A CHORD BEARING S22°32'11"E, 69.56 FEET TO A POINT OF TANGENCY; THENCE S34°00'03"E A DISTANCE OF 792.50 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 218.37 FEET, A CENTRAL ANGLE OF 166°49'20" AND A CHORD BEARING N63°30'31"E, 149.01 FEET TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE N19°38'18"W A DISTANCE OF 780.25 FEET; THENCE N11°04'19"W A DISTANCE OF 533.84 FEET; THENCE N22°40'09"E A DISTANCE OF 395.51 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 128.90 FEET, A CENTRAL ANGLE OF 98°28'33" AND A CHORD BEARING N71°54'26"E, 113.61 FEET TO A POINT OF TANGENCY; THENCE S58°51'18"E A DISTANCE OF 603.47 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 43.86 FEET, A CENTRAL ANGLE OF 14°21'41" AND A CHORD BEARING S66°02'09"E, 43.75 FEET TO A POINT OF TANGENCY; THENCE S73°12'59"E A DISTANCE OF 277.45 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 154.45 FEET, A CENTRAL ANGLE OF 117°59'19" AND A CHORD BEARING S14°13'19"E, 128.57 FEET TO A POINT OF TANGENCY; THENCE S44°46'20"W A DISTANCE OF 348.79 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 116.40 FEET, A CENTRAL ANGLE OF 38°06'36" AND A CHORD BEARING S25°45'37"W, 114.27 FEET TO A POINT OF TANGENCY; THENCE S06°42'19"W A DISTANCE OF 400.00 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 549.78 FEET, A CENTRAL ANGLE OF 180°00'00" AND A CHORD BEARING S83°17'41"E, 350.00 FEET TO A POINT OF TANGENCY; THENCE N06°42'19"E A DISTANCE OF 94.58 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 150.00 FEET, AN ARC DISTANCE OF 109.65 FEET, A CENTRAL ANGLE OF 41°53'06" AND A CHORD BEARING N27°38'52"E, 107.23 FEET TO A POINT OF TANGENCY; THENCE N48°35'24"E A DISTANCE OF 166.48 FEET; THENCE N67°13'50"E A DISTANCE OF 248.67 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET, AN ARC DISTANCE OF 78.81 FEET, A CENTRAL ANGLE OF 45°09'27", AND A CHORD BEARING S30°40'19"E, 76.79 FEET TO A POINT OF TANGENCY; THENCE S08°05'35"E A DISTANCE OF 653.77 FEET; THENCE S17°16'33"E A DISTANCE OF 629.08 FEET; THENCE S34°42'17"E A DISTANCE OF 277.51 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 74.39 FEET, A CENTRAL ANGLE OF 24°21'25" AND A CHORD BEARING S47°18'23"E, 73.84 FEET TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE S30°30'55"W A DISTANCE OF 36.85 FEET; THENCE S71°10'52"W A DISTANCE OF 430.00 FEET; THENCE S18°49'08"E A DISTANCE OF 236.00 FEET TO THE AFOREMENTIONED NORTH RIGHT-OF-WAY LINE OF 16TH ROAD; THENCE S71°10'52"W A DISTANCE OF 1822.46 FEET TO THE AFOREMENTIONED EAST LINE OF SECTION 29, TOWNSHIP 10 SOUTH, RANGE 31 EAST AND THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND:

A PARCEL OF LAND BEING A PORTION OF GOVERNMENT SECTIONS 28 AND 29, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF 16TH ROAD (AN 80.00 FOOT WIDE RIGHT-OF-WAY) AND THE WEST LINE OF GOVERNMENT SECTION 29, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA; THENCE N71°10'52"E ALONG SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD, A DISTANCE OF 98.10 FEET; THENCE CONTINUING N71°10'52"E ALONG THE SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD, A DISTANCE OF 374.28 FEET; THENCE DEPARTING SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD N01° 27'28"W A DISTANCE OF 38.10 FEET TO A NON-TANGENT CURVE AND THE POINT OF BEGINNING; THENCE DEPARTING SAID EAST LINE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, AN ARC LENGTH OF 152.66 FEET, A CENTRAL ANGLE OF 116°37'12" AND A CHORD BEARING N61°26'40"W, 127.64 FEET TO A POINT OF TANGENCY; THENCE N03°08'04"W A DISTANCE OF 786.71 FEET; THENCE N07°43'27"W A DISTANCE OF 492.99 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 549.78 FEET, A CENTRAL ANGLE OF 180°00'00" AND A CHORD BEARING N82°16'33"E, 350.00 FEET TO A POINT OF TANGENCY; THENCE S07°43'27"E A DISTANCE OF 500.00 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 57.88 FEET, A CENTRAL ANGLE OF 18°57'04" AND A CHORD BEARING S01°45'05"W, 57.62 FEET TO A POINT OF TANGENCY; THENCE S11°13'37"W A DISTANCE OF 793.72 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 64.17 FEET, A CENTRAL ANGLE OF 49°01'06" AND A CHORD BEARING S35°44'11"W, 62.23 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

EXHIBIT "A"HOTEL PARCEL

A PARCEL OF LAND LYING IN SECTIONS 28 AND 33, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE FULLY DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHWESTERLY CORNER OF SAID SECTION 33, RUN ALONG THE NORTHERLY LINE OF SAID SECTION, N 70°09'59" E, 1527.55 FEET, TO THE POINT OF BEGINNING; THENCE N 30°16'18" W, 258.61 FEET; THENCE N 65°44'11" E, 44.25 FEET, TO THE POINT OF CURVATURE OF A CURVE TO THE LEFT, BEING CONCAVED NORTHWESTERLY, HAVING A RADIUS OF 175.10 FEET, A CENTRAL ANGLE OF 13°03'39", A CHORD OF 39.83 FEET, AND A CHORD BEARING OF N 59°12'05" E; THENCE RUN NORTHEASTERLY ALONG THE ARC OF SAID CURVE, 39.91 FEET; THENCE N 52°40'02" E, 719.99 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, BEING CONCAVED SOUTHERLY, HAVING A RADIUS OF 80.00 FEET, AND A CENTRAL ANGLE OF 99°58'07", A CHORD OF 122.54 FEET, AND A CHORD BEARING OF S 77°20'54" E; THENCE RUN EASTERLY ALONG THE ARC OF SAID CURVE, 139.58 FEET; THENCE S 27°21'50" E, 793.28 FEET, TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, BEING CONCAVED WESTERLY, HAVING A RADIUS OF 75.00 FEET, AND A CENTRAL ANGLE OF 68°12'58", A CHORD OF 84.11 FEET, AND A CHORD BEARING OF S 06°44'38" W; THENCE RUN SOUTHERLY ALONG THE ARC OF SAID CURVE, 89.29 FEET TO A POINT ON A NON-TANGENT CURVE TO THE LEFT, BEING CONCAVED SOUTHEASTERLY, HAVING A RADIUS OF 175.00 FEET, A CENTRAL ANGLE OF 57°45'26", A CHORD OF 169.03 FEET AND A CHORD BEARING OF S 67°12'03" W; THENCE RUN SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, 176.41 FEET; THENCE S 38°19'22" W, 597.70 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE LEFT, BEING CONCAVED SOUTHEASTERLY, HAVING A RADIUS OF 75.00 FEET, A CENTRAL ANGLE OF 09°57'53", A CHORD OF 13.03 FEET AND A CHORD BEARING OF S 03°19'53" W; THENCE RUN SOUTHWESTERLY ALONG THE ARC OF SAID CURVE 13.05 FEET TO A POINT ON A NON-TANGENT CURVE TO THE LEFT, BEING CONCAVED SOUTHERLY, HAVING A RADIUS OF 210.00 FEET, A CENTRAL ANGLE OF 84°03'24", A CHORD OF 281.19 FEET AND A CHORD BEARING OF N 74°36'58" W; THENCE RUN WESTERLY ALONG THE ARC OF SAID CURVE, 308.08 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE TO THE RIGHT, BEING CONCAVED NORTHERLY, HAVING A RADIUS OF 70.00 FEET, A CENTRAL ANGLE OF 24°23'45", A CHORD OF 29.58 FEET AND A CHORD BEARING OF S 75°33'13" W; THENCE RUN WESTERLY ALONG THE ARC OF SAID CURVE, 29.81 FEET; THENCE S 87°45'05" W, 94.89 FEET, TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, CONCAVED NORTHEASTERLY HAVING A RADIUS OF 70.00 FEET, AND A CENTRAL ANGLE OF 52°13'10", A CHORD OF 61.61 FEET AND A CHORD BEARING OF N 66°08'20" W; THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 63.80 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE TO THE LEFT CONCAVED SOUTHWESTERLY HAVING A RADIUS OF 215.04 FEET, A CENTRAL ANGLE OF 31°17'00", A CHORD OF 115.96 FEET AND A CHORD BEARING OF N 55°40'21" W; THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 117.41 FEET; THENCE N 08°02'09" W, 205.04 FEET TO A POINT ON A NON-TANGENT CURVE TO THE LEFT CONCAVED NORTHWESTERLY HAVING A RADIUS OF 240.17 FEET, A CENTRAL ANGLE OF 38°12'00", A CHORD OF 157.17 FEET AND A CHORD BEARING OF N 39°07'47" E; THENCE FROM A TANGENT BEARING OF N 58°13'47" E RUN NORTHEASTERLY ALONG THE ARC OF SAID CURVE 160.12 FEET; THENCE N 20°01'47" E, 140.89 FEET; THENCE N 30°16'18" W, 58.47 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH PARCEL 3

A parcel of land lying in Section 33, Township 10 South, Range 31 East, Flagler County, Florida, and being more particularly described as follows:

As a point of reference, commence at the Northwest corner of said Section 33, run along the North line of said Section, N 70°09'59" E, 945.64 feet; thence S 19°50'01" E, 2728.47 feet; thence N 70°09'59" E, 696.38 feet to the Point of Beginning; thence S 82°32'30" E, 118.03 feet; thence S 62°31'32" E, 122.75 feet; thence S 82°32'56" W, 137.74 feet to a point on a non-tangent curve to the right, having a radius of 430.00 feet, a central angle of 32°00'07", a chord of 237.06 feet and a chord bearing of S 14°46'30" W; thence run southerly along said curve 240.17 feet; thence N 84°18'54" W, 90.78 feet to a point on a non-tangent curve to the left, having a radius of 349.39 feet, a central angle of 44°06'08", a chord of 262.35 feet, and a chord bearing of N 15°05'53" E; thence run northerly along said curve 268.94 feet to a point of compound curvature of a curve to the left, having a radius of 1091.70 feet, a central angle of 02°49'01", a chord of 53.67 feet, and a chord bearing of N 07°41'03" W; thence run northerly along said curve 53.67 feet to the Point of Beginning.

EXHIBIT "A"

LEGAL DESCRIPTION

DEVELOPMENT AREA C:

A PARCEL OF LAND BEING A PORTION OF GOVERNMENT SECTIONS 20, 21, 28, 29 AND 40, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF 16TH ROAD (AN 80.00 FOOT WIDE RIGHT-OF-WAY) AND THE WEST LINE OF GOVERNMENT SECTION 29, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA; THENCE N71°10'52"E ALONG SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD A DISTANCE OF 98.10 FEET; THENCE DEPARTING SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD N20°47'52"W A DISTANCE OF 142.41 FEET; THENCE N17°50'12"W A DISTANCE OF 113.97 FEET; THENCE N03°41'59"W A DISTANCE OF 195.76 FEET; THENCE N07°50'10"W A DISTANCE OF 175.05 FEET; THENCE N13°14'09"E A DISTANCE OF 52.18 FEET; THENCE N07°36'55"E A DISTANCE OF 55.29 FEET; THENCE N09°12'42"W A DISTANCE OF 120.77 FEET; THENCE N08°15'57"E A DISTANCE OF 103.66 FEET; THENCE N06°54'06"W A DISTANCE OF 211.51 FEET; THENCE N15°04'13"W A DISTANCE OF 166.16 FEET; THENCE N00°17'49"E A DISTANCE OF 127.19 FEET; THENCE N05°34'25"W A DISTANCE OF 92.88 FEET; THENCE N21°19'39"W A DISTANCE OF 154.78 FEET; THENCE N36°46'01"W A DISTANCE OF 100.09 FEET; THENCE N31°12'25"W A DISTANCE OF 140.61 FEET; THENCE N24°28'06"W A DISTANCE OF 104.57 FEET; THENCE N28°30'24"W A DISTANCE OF 166.46 FEET; THENCE N55°59'44"W A DISTANCE OF 189.15 FEET; THENCE N23°58'57"W A DISTANCE OF 160.70 FEET; THENCE N48°19'39"W A DISTANCE OF 109.90 FEET; THENCE N13°27'28"W A DISTANCE OF 107.80 FEET; THENCE N77°16'02"W A DISTANCE OF 146.92 FEET; THENCE N13°02'02"E A DISTANCE OF 62.03 FEET; THENCE S68°46'59"E A DISTANCE OF 108.95 FEET; THENCE N68°58'46"E A DISTANCE OF 72.14 FEET; THENCE N09°57'13"E A DISTANCE OF 99.69 FEET; THENCE N00°32'26"E A DISTANCE OF 129.44 FEET; THENCE N12°49'52"W A DISTANCE OF 115.20 FEET; THENCE N12°53'10"W A DISTANCE OF 143.83 FEET; THENCE N22°58'43"W A DISTANCE OF 100.23 FEET; THENCE N33°40'33"W A DISTANCE OF 54.84 FEET; THENCE N69°29'29"W A DISTANCE OF 55.90 FEET; THENCE S70°55'53"W A DISTANCE OF 83.76 FEET; THENCE N33°35'46"W A DISTANCE OF 96.46 FEET; THENCE N26°44'08"E A DISTANCE OF 76.05 FEET; THENCE N65°59'46"E A DISTANCE OF 153.54 FEET; THENCE N00°45'31"E A DISTANCE OF 59.23 FEET; THENCE N74°25'41"W A DISTANCE OF 142.71 FEET; THENCE S54°44'52"W A DISTANCE OF 98.62 FEET; THENCE N89°40'32"W A DISTANCE OF 103.81 FEET; THENCE S69°59'06"W A DISTANCE OF 177.44 FEET; THENCE N21°56'40"W A DISTANCE OF 190.10 FEET; THENCE N72°09'58"E A DISTANCE OF 73.27 FEET; THENCE N25°21'31"E A DISTANCE OF 51.98 FEET; THENCE N44°34'56"E A DISTANCE OF 278.74 FEET; THENCE N05°03'34"E A DISTANCE OF 40.80 FEET; THENCE S79°47'45"W A DISTANCE OF 260.43 FEET; THENCE S70°06'51"W A DISTANCE OF 123.21 FEET; THENCE N19°15'37"W A DISTANCE OF 87.11 FEET; THENCE N73°37'08"E A DISTANCE OF 91.79 FEET; THENCE N11°27'27"E A DISTANCE OF 47.51 FEET; THENCE N76°15'40"E A DISTANCE OF 211.80 FEET; THENCE N12°02'29"E A DISTANCE OF 87.21 FEET; THENCE N64°48'00"W A DISTANCE OF 187.66 FEET; THENCE S03°55'05"W A DISTANCE OF 72.44 FEET; THENCE N67°38'26"W A DISTANCE OF 185.17 FEET; THENCE N22°18'22"W A DISTANCE OF 198.89 FEET; THENCE N37°45'16"E A DISTANCE OF 134.01 FEET; THENCE N65°09'24"E A DISTANCE OF 109.14 FEET; THENCE S77°29'34"E A DISTANCE OF 172.44 FEET; THENCE S88°35'19"E A DISTANCE OF 447.89 FEET; THENCE N89°20'43"E A DISTANCE OF 429.08 FEET; THENCE S86°58'40"E A DISTANCE OF 25.39 FEET; THENCE S06°40'40"E A DISTANCE OF 55.03 FEET; THENCE S02°29'33"E A DISTANCE OF 96.87 FEET; THENCE S08°53'19"E A DISTANCE OF 107.15 FEET; THENCE S06°53'10"E A DISTANCE OF 100.44 FEET; THENCE S52°35'51"E A DISTANCE OF 21.71 FEET; THENCE S15°35'15"E A DISTANCE OF 168.91 FEET; THENCE

S50°22'42"E A DISTANCE OF 96.96 FEET; THENCE S34°36'29"E A DISTANCE OF 39.71 FEET; THENCE S02°36'13"E A DISTANCE OF 53.35 FEET; THENCE S08°23'02"E A DISTANCE OF 69.12 FEET; THENCE S07°15'53"E A DISTANCE OF 81.92 FEET; THENCE S02°29'07"E A DISTANCE OF 61.48 FEET; THENCE S05°23'23"W A DISTANCE OF 65.53 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 25.94 FEET, A CENTRAL ANGLE OF 08°29'40" AND A CHORD BEARING S26°54'59"W, 25.92 FEET TO A POINT OF TANGENCY; THENCE S22°40'09"W A DISTANCE OF 393.07 FEET; THENCE S11°04'19"E A DISTANCE OF 653.09 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 70.03 FEET, A CENTRAL ANGLE OF 22°55'40" AND A CHORD BEARING S22°32'11"E, 69.56 FEET TO A POINT OF TANGENCY; THENCE S34°00'03"E A DISTANCE OF 792.50 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 218.37 FEET, A CENTRAL ANGLE OF 166°49'20" AND A CHORD BEARING N63°30'31"E, 149.01 FEET TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE N19°38'18"W A DISTANCE OF 780.25 FEET; THENCE N11°04'19"W A DISTANCE OF 533.84 FEET; THENCE N22°40'09"E A DISTANCE OF 395.51 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 128.90 FEET, A CENTRAL ANGLE OF 98°28'33" AND A CHORD BEARING N71°54'26"E, 113.61 FEET TO A POINT OF TANGENCY; THENCE S58°51'18"E A DISTANCE OF 603.47 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 43.86 FEET, A CENTRAL ANGLE OF 14°21'41" AND A CHORD BEARING S66°02'09"E, 43.75 FEET TO A POINT OF TANGENCY; THENCE S73°12'59"E A DISTANCE OF 277.45 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 154.45 FEET, A CENTRAL ANGLE OF 117°59'19" AND A CHORD BEARING S14°13'19"E, 128.57 FEET TO A POINT OF TANGENCY; THENCE S44°46'20"W A DISTANCE OF 348.79 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 116.40 FEET, A CENTRAL ANGLE OF 38°06'36" AND A CHORD BEARING S25°45'37"W, 114.27 FEET TO A POINT OF TANGENCY; THENCE S06°42'19"W A DISTANCE OF 400.00 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 549.78 FEET, A CENTRAL ANGLE OF 180°00'00" AND A CHORD BEARING S83°17'41"E, 350.00 FEET TO A POINT OF TANGENCY; THENCE N06°42'19"E A DISTANCE OF 94.58 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 150.00 FEET, AN ARC DISTANCE OF 109.65 FEET, A CENTRAL ANGLE OF 41°53'06" AND A CHORD BEARING N27°38'52"E, 107.23 FEET TO A POINT OF TANGENCY; THENCE N48°35'24"E A DISTANCE OF 166.48 FEET; THENCE N67°13'50"E A DISTANCE OF 248.67 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 100.00 FEET, AN ARC DISTANCE OF 78.81 FEET, A CENTRAL ANGLE OF 45°09'27", AND A CHORD BEARING S30°40'19"E, 76.79 FEET TO A POINT OF TANGENCY; THENCE S08°05'35"E A DISTANCE OF 653.77 FEET; THENCE S17°16'33"E A DISTANCE OF 629.08 FEET; THENCE S34°42'17"E A DISTANCE OF 277.51 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 74.39 FEET, A CENTRAL ANGLE OF 24°21'25" AND A CHORD BEARING S47°18'23"E, 73.84 FEET TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE S30°30'55"W A DISTANCE OF 36.85 FEET; THENCE S71°10'52"W A DISTANCE OF 430.00 FEET; THENCE S18°49'08"E A DISTANCE OF 236.00 FEET TO THE AFOREMENTIONED NORTH RIGHT-OF-WAY LINE OF 16TH ROAD; THENCE S71°10'52"W A DISTANCE OF 1822.46 FEET TO THE AFOREMENTIONED EAST LINE OF SECTION 29, TOWNSHIP 10 SOUTH, RANGE 31 EAST AND THE POINT OF BEGINNING.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND;

A PARCEL OF LAND BEING A PORTION OF GOVERNMENT SECTIONS 28 AND 29, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF 16TH ROAD (AN 80.00 FOOT WIDE RIGHT-OF-WAY) AND THE WEST LINE OF GOVERNMENT SECTION 29, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA; THENCE N71°10'52"E ALONG SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD, A DISTANCE OF 98.10 FEET; THENCE CONTINUING N71°10'52"E ALONG THE SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD, A DISTANCE OF 374.28 FEET; THENCE DEPARTING SAID NORTH RIGHT-OF-WAY LINE OF 16TH ROAD N01° 27'28"W A DISTANCE OF 38.10 FEET TO A NON-TANGENT CURVE AND THE POINT OF BEGINNING; THENCE DEPARTING SAID EAST LINE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, AN ARC LENGTH OF 152.66 FEET, A CENTRAL ANGLE OF 116°37'12" AND A CHORD BEARING N61°26'40"W, 127.64 FEET TO A POINT OF TANGENCY; THENCE N03°08'04"W A DISTANCE OF 786.71 FEET; THENCE N07°43'27"W A DISTANCE OF 492.99 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 549.78 FEET, A CENTRAL ANGLE OF 180°00'00" AND A CHORD BEARING N82°16'33"E, 350.00 FEET TO A POINT OF TANGENCY; THENCE S07°43'27"E A DISTANCE OF 500.00 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 175.00 FEET, AN ARC DISTANCE OF 57.88 FEET, A CENTRAL ANGLE OF 18°57'04" AND A CHORD BEARING S01°45'05"W, 57.62 FEET TO A POINT OF TANGENCY; THENCE S11°13'37"W A DISTANCE OF 793.72 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, AN ARC DISTANCE OF 64.17 FEET, A CENTRAL ANGLE OF 49°01'06" AND A CHORD BEARING S35°44'11"W, 62.23 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

EXHIBIT "A"

HOTEL PARCEL

A PARCEL OF LAND LYING IN SECTIONS 28 AND 33, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, AND BEING MORE FULLY DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHWESTERLY CORNER OF SAID SECTION 33, RUN ALONG THE NORTHERLY LINE OF SAID SECTION, N 70°09'59" E, 1527.55 FEET, TO THE POINT OF BEGINNING; THENCE N 30°16'18" W, 258.61 FEET; THENCE N 65°44'11" E, 44.25 FEET, TO THE POINT OF CURVATURE OF A CURVE TO THE LEFT, BEING CONCAVED NORTHWESTERLY, HAVING A RADIUS OF 175.10 FEET, A CENTRAL ANGLE OF 13°03'39", A CHORD OF 39.83 FEET, AND A CHORD BEARING OF N 59°12'05" E; THENCE RUN NORTHEASTERLY ALONG THE ARC OF SAID CURVE, 39.91 FEET; THENCE N 52°40'02" E, 719.99 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, BEING CONCAVED SOUTHERLY, HAVING A RADIUS OF 80.00 FEET, AND A CENTRAL ANGLE OF 99°58'07", A CHORD OF 122.54 FEET, AND A CHORD BEARING OF S 77°20'54" E; THENCE RUN EASTERLY ALONG THE ARC OF SAID CURVE, 139.58 FEET; THENCE S 27°21'50" E, 793.28 FEET, TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, BEING CONCAVED WESTERLY, HAVING A RADIUS OF 75.00 FEET, AND A CENTRAL ANGLE OF 68°12'58", A CHORD OF 84.11 FEET, AND A CHORD BEARING OF S 06°44'38" W; THENCE RUN SOUTHERLY ALONG THE ARC OF SAID CURVE, 89.29 FEET TO A POINT ON A NON-TANGENT CURVE TO THE LEFT, BEING CONCAVED SOUTHEASTERLY, HAVING A RADIUS OF 175.00 FEET, A CENTRAL ANGLE OF 57°45'26", A CHORD OF 169.03 FEET AND A CHORD BEARING OF S 67°12'03" W; THENCE RUN SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, 176.41 FEET; THENCE S 38°19'22" W, 597.70 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE LEFT, BEING CONCAVED SOUTHEASTERLY, HAVING A RADIUS OF 75.00 FEET, A CENTRAL ANGLE OF 09°57'53", A CHORD OF 13.03 FEET AND A CHORD BEARING OF S 03°19'53" W; THENCE RUN SOUTHWESTERLY ALONG THE ARC OF SAID CURVE 13.05 FEET TO A POINT ON A NON-TANGENT CURVE TO THE LEFT, BEING CONCAVED SOUTHERLY, HAVING A RADIUS OF 210.00 FEET, A CENTRAL ANGLE OF 84°03'24", A CHORD OF 281.19 FEET AND A CHORD BEARING OF N 74°36'58" W; THENCE RUN WESTERLY ALONG THE ARC OF SAID CURVE, 308.08 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE TO THE RIGHT, BEING CONCAVED NORTHERLY, HAVING A RADIUS OF 70.00 FEET, A CENTRAL ANGLE OF 24°23'45", A CHORD OF 29.58 FEET AND A CHORD BEARING OF S 75°33'13" W; THENCE RUN WESTERLY ALONG THE ARC OF SAID CURVE, 29.81 FEET; THENCE S 87°45'05" W, 94.89 FEET, TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, CONCAVED NORTHEASTERLY HAVING A RADIUS OF 70.00 FEET, AND A CENTRAL ANGLE OF 52°13'10", A CHORD OF 61.61 FEET AND A CHORD BEARING OF N 66°08'20" W; THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 63.80 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE TO THE LEFT CONCAVED SOUTHWESTERLY HAVING A RADIUS OF 215.04 FEET, A CENTRAL ANGLE OF 31°17'00", A CHORD OF 115.96 FEET AND A CHORD BEARING OF N 55°40'21" W; THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE, 117.41 FEET; THENCE N 08°02'09" W, 205.04 FEET TO A POINT ON A NON-TANGENT CURVE TO THE LEFT CONCAVED NORTHWESTERLY HAVING A RADIUS OF 240.17 FEET, A CENTRAL ANGLE OF 38°12'00", A CHORD OF 157.17 FEET AND A CHORD BEARING OF N 39°07'47" E; THENCE FROM A TANGENT BEARING OF N 58°13'47" E RUN NORTHEASTERLY ALONG THE ARC OF SAID CURVE 160.12 FEET; THENCE N 20°01'47" E, 140.89 FEET; THENCE N 30°16'18" W, 58.47 FEET TO THE POINT OF BEGINNING.

HOPPING GREEN SAMS & SMITH

PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS

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DAN R. STENGLE
CHERYL G. STUART
W. STEVE SYKES
T. KENT WETHERELL, II

OF COUNSEL
ELIZABETH C. BOWMAN

September 3, 1999

Southtrust Bank, N.A.
c/o Larry Sims
Black, Crotty, Sims, Hubka, Burnett, Birch and Samuels, L.L.P.
Third Floor
501 N. Grandview Ave.
Daytona Beach, Florida 32118

Re: Estoppel Certifications concerning Utility Expansion Agreement-Northshore
Hammock, L.P., dated February 12, 1999.

Dear Mr. Sims:

The undersigned represents the Dunes Community Development District, a party to that certain Utility Expansion Agreement-Northshore Hammock, L.P., (the "Agreement") entered into February 12, 1999, by and between the Dunes Community Development District, a local unit of special purpose government located in Flagler County, Florida, hereinafter referred to as the "District" and Northshore Hammock, L.P., a Georgia limited partnership authorized to do business in the State of Florida, hereinafter referred to as the "Developer".

The Developer has assigned and transferred all utility capacity reserved under the Agreement to Northshore Ocean Hammock Investment, L.P., a Georgia limited partnership ("Assignee"), subject to the terms of the Agreement, by virtue of that certain Assignment, dated September 3, 1999. The undersigned understands that the Assignee is obtaining a loan from Southtrust Bank, N.A. Accordingly, on behalf of the District, we hereby certify with respect to the above Utility Expansion Agreement as follows:

1. The Agreement is currently in full force and effect and has not been modified or amended. The Agreement constitutes the complete and total understanding of the parties with respect to utility capacity and expansion. The copy of the Agreement attached to this Estoppel Letter is a true, correct and complete copy thereof.
2. There are no existing defaults (or events which, with the passage of time and or giving of notice would constitute a default) on the part of either the District, the

Mr. Sims
9/3/99
page 2

Developer or the Assignee under the Agreement.

3. The District acknowledges and certifies that (I) it has received all fees, sums, funds and amounts due for sewer treatment capacity from the Developer to-date under the Utility Expansion Agreement; and (II) the Developer has delivered cash in amounts as required to date by the Agreement.

DUNES COMMUNITY DEVELOPMENT
DISTRICT

By: 

Cheryl Stuart
Hopping Green Sams and Smith, P.A.
Counsel to District

CGS/kcg

HOPPING GREEN SAMS & SMITH

**DUNES COMMUNITY
DEVELOPMENT DISTRICT**

5000 Palm Coast Parkway
Palm Coast, FL 32137
(904) 445-9045
(904) 445-9013 Facsimile

September 2, 1999

Southtrust Bank, N.A.
C/o Larry Sims
Black, Crotty, Sims, Hubka, Burnett, Birch and Samuels, L.L.P.
Third Floor
501 N. Grandview Ave.
Daytona Beach, FL 32118


Re: Certification of Utility Capacity

Dear Mr. Sims,

In accordance with the Utility Expansion Agreement (the "Agreement"), dated February 12, 1999, by and between the Dunes Community Development District (the "District") and Northshore Hammock, L.P. (The "Developer"), the District certifies to Southtrust Bank, N.A. as follows:

1. As of the date of this letter, the Developer has paid for and reserved 125,000 gallons per day of sewer treatment plant capacity for the Development, as defined in the Agreement.
2. Sewer treatment and potable water capacity is available for the Development, subject to the Developer complying with its obligations under the Agreement
3. District acknowledges that Southtrust Bank, N.A., or its designees, successors or assigns will rely upon the certifications made in this letter in connection with the consummation of the loan to the Developer.

Dunes Community Development District

By:  _____

David R. Root, General Manager

cc: Cheryl Stuart (Hopping, Greene, Sams & Smith)
Gary Moyer (District)
James Gardner (District)

DUNES COMMUNITY DEVELOPMENT DISTRICT
INTERNAL MEMO

DATE: Oct 23, 1998

TO: Cheryl Stuart

FROM: David Root 

SUBJECT: Executed Utility Expansion Agreement-Northshore Hammock, L.P.

COPIES:

Enclosed find subject document.

Utility Expansion Agreement--Northshore Hammock, L.P.

This agreement ("Agreement") is made and entered into this day of October, 1998, by and between the Dunes Community Development District, a local unit of special-purpose government located in Flagler County, Florida, hereinafter referred to as "District", and Northshore Hammock, L.P., a Georgia limited partnership, authorized to do business in the state of Florida, hereinafter referred to as "Developer".

Recitals

The District was established by a rule of the Florida Land and Water Adjudicatory Commission in October, 1985, in accordance with Chapter 190, Florida Statutes, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure improvements and facilities, including potable water, wastewater (or sewer), and reuse/effluent irrigation facilities (the "Utility System"); and

The District currently owns, operates and maintains the Utility System which provides service to properties within the boundaries of the District; and

The Developer requires assurances that potable water, wastewater (or sewer) and reuse/effluent irrigation services are available to the properties the Developer intends to develop within the District; and

On September 25, 1998 the District Board of Supervisors ("Board") authorized a utility expansion policy to generally outline the responsibilities for the expansion of the Utility System in areas within the District not presently served by the District; and

The District and Developer are entering into this Agreement to further refine and clarify the District's general policy and their respective undertakings with respect to expanding the Utility System to service specific areas of land within the District; and

The District and the Developer desire to ensure the timely, efficient, and economical expansion of the District's Utility System to ensure the provision of water, sewer and effluent irrigation to the existing and future residents and landowners of the District.

Now therefore, for and in consideration of the mutual promises and obligations hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged, the District and the Developer agree as follows:

1. Recitals and Scope of Agreement. The recitals so stated above are true and correct and by this reference are incorporated as a material part of this Agreement. The Developer and District agree that this Agreement provides the process by which the Developer shall make requests for utility services (water, wastewater or sewer and effluent/irrigation) to the Development, subject to applicable provisions of Florida law and the duly adopted rules of the District. As more fully set forth below, the Developer has asked the District to ensure the provision of 125,000 gallons per day of sewer treatment plant capacity at this time. The District will promptly upon the execution of this Agreement begin to take the steps necessary to determine the cost of that sewer treatment plant capacity and the amount of the letter of credit required to ensure its provision in accordance with the provisions of this Agreement. After the District makes its determination, the Developer agrees that it will deliver the requisite letter of credit in the time frames set forth in this Agreement. Future increments of sewer treatment plant capacity will be requested in accordance with the provisions of this Agreement. References in this Agreement to multiple letters of credit are meant to acknowledge the potential incremental need for sewer treatment plant capacity to serve the Development or supplemental letters of credit to provide the entire cost of an expansion. As of the date of execution of this Agreement, the Developer has not requested water capacity or effluent irrigation capacity. As of the date of execution of this Agreement, the Developer acknowledges that there is no water, sewer or effluent utility service available to serve the Development.

2. Definitions.

(i) "Capital Expansion Fee" shall be as defined in Article I of the Second Supplemental Trust Indenture by and between the District and the Trustee dated December 1, 1988, as amended and supplemented by a First Amendment to the Second Supplemental Trust Indenture dated August 1, 1992 for the District's Revenue Refunding Bonds (Water and Sewer Project) Series 1992 (the "Second Supplemental Indenture").

(ii) "Capital Expansion Fee Fund" shall be that fund provided for in the Second Supplemental Indenture.

(iii) "Trustee" shall be that Trustee designated by the District in accordance with and pursuant to the Second Supplemental Indenture.

(iv) "Bonds" shall mean the obligations of the District authorized to be issued pursuant to Sections 2.01, 3.02 and 3.03 of the Second Supplemental Indenture.

(v) "Cost" or "cost" shall include the items specified in s. 190.003(7), F.S.

(vi) All other terms used in this Agreement not specifically defined shall have the meaning ascribed in the Second Supplemental Indenture or Chapter 190, Florida Statutes. To the extent of a conflict, the term shall be given the meaning consistent with the intent of this Agreement.

3. Sewer Capacity

A. Existing facilities. The District has an existing 250,000 gallon per day sewer treatment plant which is providing sewer service to or has been reserved for use by existing portions of "Phase I" of the District; however, the sewer treatment plant is not fully utilized at this time, i.e., flows into the plant are less than the permitted capacity. An expansion of the sewer treatment plant, which will be necessary in the future to serve additional land areas within the District, has been designed and permitted by the District.

B. Developer request. Developer has requested that the District enter into this Agreement to assure Developer that the District currently has or will have sufficient sewer treatment plant capacity to serve its development of the areas of land described on Exhibit A attached hereto and by this reference made a part hereof (the "Development"). Developer has advised the District that over the next 10 years, it will need approximately 476,000 gallons per day of sewer treatment plant capacity to serve the Development, subject to change due to a variety of factors, including market conditions, permitting and construction timetables. As of the date of this Agreement, Developer is asking the District to make provision for 125,000 gallons of sewer treatment plant capacity to serve ___ ERCs within the Development.

C. District certifications: conditions. The District agrees that, subject to the Developer delivering one or more letters of credit in form and in amounts as required from time to time by this Agreement, and subject to the provisions of paragraph 3D(ii) as it applies to requests for sewer treatment capacity other than the Developer's pending request for 125,000 gallons, the District will, at the Developer's request, (i) make the certifications required to evidence that sewer treatment plant capacity is available for the Development in order for the Developer to obtain the necessary permits from the various regulatory authorities with jurisdiction over the Development or construction of any improvements within the Development, and (ii) from time-to-time issue letters to such third parties as the Developer may identify, confirming that, subject to the Developer

complying with its obligations under this Agreement, sewer treatment plant capacity is available for the Development.

D. Determination of cost of capacity. The District, in its sole discretion, in accordance with its applicable rules and regulations, the laws of the State of Florida and the following procedures will determine the cost of the expansion of the sewer treatment plant required from time to time to meet Developer's sewer treatment plant capacity requirements for the Development.

(i) Definition. The term "sewer treatment plant" shall mean all systems, facilities, or property useful or necessary to treat, purify or dispose of sewage which can be permitted under Florida law. The term "sewer treatment plant" does not include collection lines, force mains, lift stations, or laterals. To the extent a system, facility or property could be characterized as either a portion of the sewer treatment plant or the effluent/irrigation system, the District shall, in its sole discretion, determine to which system those facilities and its costs are reasonably, justly and equitably allocated.

(ii) Future requests. The provisions of this subparagraph shall not apply to the Developer's pending request for 125,000 gallons of sewer treatment plant capacity. As to the Developer's future requests for evidence of sewer treatment plant capacity pursuant to paragraph 3C, the Developer acknowledges that such requests may occur at a time when the actual usage of the sewer treatment plant's then-existing capacity as determined by the District Engineer may be so high that the District Engineer may advise the Board that issuance of the certifications and/or letters described in paragraph 3C should be delayed. In the event the Board accepts the District Engineer's determination that there should be a delay, the Developer shall have the election to either withdraw its request for sewer treatment plant capacity or continue with the request and post the requisite letter of credit to cover the cost of the requested sewer treatment plant capacity as determined in this Agreement. The District agrees in the event of such delay, the District will quarterly reevaluate the basis for such delay and seek to eliminate the delay as quickly as possible so long as the Developer maintains the requisite letter of credit for the capacity requested.

(iii) Calculation of cost: amount of letter of credit. The District Engineer shall prepare a report to the Board which sets forth a good faith estimated cost of the expansion of the sewer treatment plant. The Board shall take final action to review, amend if necessary, and approve the estimated cost of the sewer treatment plant expansion and determine the amount of the letter of credit, which shall not exceed 110% of the cost as determined by the Board. The letter of credit shall be from a National Bank, subject to the District's approval as to the form of

the letter and the bank on which it is drawn, which approval shall not be unreasonably withheld, conditioned or delayed. The letter of credit shall be delivered to the District within 10 business days of the Board's determination of the amount to be posted.

E. District right to draw on letter of credit. The District shall be entitled to draw on a letter of credit when it is necessary to commence work on the expansion of the sewer treatment plant for which a letter of credit has been posted, which activities include study, permitting, design and engineering. The District's activities to expand its sewer treatment plant shall be done in accordance with then-existing permit conditions, Florida statutes, Florida Department of Environmental Protection rules, and applicable regulations of other governmental regulatory bodies with jurisdiction. The proceeds of all funds drawn on the Developer's letter(s) of credit will be deposited in the Capital Expansion Fee Fund.

F. Establishment of Sewer Plant Capital Expansion Fee. In connection with each increment of sewer treatment plant capacity expansion requested by the Developer under this Agreement, the District shall establish a Sewer Plant Capital Expansion Fee ("SPCEF") to be imposed in the specific areas to be served by the intended sewer treatment plant capacity expansion. The SPCEF is consistent with the term "Capital Expansion Fee", and is a nonrefundable, nonuser capacity charge reflecting the proportionate share of the costs of expanding, oversizing, separating or constructing the expansion of the sewer treatment plant. The District shall designate the customers in the areas to be served by the sewer treatment plant expansion as a new class of customers who will be charged the SPCEF.

G. Collection of SPCEF: deposit of funds. The District will collect the SPCEF no later than the time a potable water meter is requested. The District agrees to deposit with the Trustee as long as the Bonds are outstanding, all SPCEF collected for deposit to the Capital Expansion Fee Fund provided for in the Second Supplemental Indenture to be used in accordance with Section 5.08 of the Second Supplemental Indenture. If there are no Bonds outstanding at any time, the District agrees to hold the SPCEFs collected separate and apart from all other District revenues and to use the SPCEFs solely for the costs of the applicable expansion of the sewer treatment plant.

(i) Reduction in letter of credit by SPCEFs collected. Each quarter, the District shall determine the total amount of SPCEFs collected, and take all actions reasonably necessary to reduce the Developer's letter(s) of credit by a like amount, such that the total amount of the letters of credit available to the District together with the SPCEFs on hand shall be equal to the cost of the applicable sewer treatment plant

expansion. If the District is in the process of actually expanding its sewer treatment plant, the District may in its discretion use the SPCEFs collected to pay the direct costs associated with those expansion activities.

(ii) Interest earnings on SPCEFs. Interest earnings on the SPCEFs in the Capital Expansion Fee Fund shall remain in that fund to be used for the same purposes as the SPCEFs. Annually, within 30 days of the end of the District's fiscal year, the District shall determine the amount of interest earned, if any, on SPCEFs collected from the Development, and take all actions reasonably necessary to reduce the amount of the Developer's letter(s) of credit available to the District in an amount of those earnings.

(iii) Separate accounting for SPCEFs. If the District has entered into more than one Utility Expansion Agreement and is collecting more than one SPCEF, then the District shall take all actions reasonably necessary to account for the SPCEFs attributable to each developer's obligation, including interest earnings, even though all such monies may be deposited to a single Capital Expansion Fee Fund.

H. District right to draw on letter of credit. If, at the time any of the Developer's letters of credit are delivered to and accepted by the District, the District and the Developer are unable to agree on a schedule of periodic draws against such letter of credit, the District will have the right to draw up to 100% of such letter of credit at such time as the activities necessary for the expansion of the sewer treatment plant have commenced.

(i) Recovery of funds advanced; SPCEFs insufficient to fully reimburse costs of expansion. The District agrees that during the "Recovery Period" (as hereinafter defined) it will pay to the Developer an amount equal to the aggregate SPCEFs collected by the District up to the amount of the actual costs of the sewer treatment plant expansion advanced by the Developer. The term "Recovery Period" shall mean the lesser of (i) a period of 20 years from the date of posting of the Developer's letter of credit, or (ii) if the useful life of the facilities being expanded is less than 20 years as determined by the District, then the District will pay over that shorter period as the District may determine. If the amount of SPCEFs collected over the Recovery Period is less than the amount of the Developer's letter of credit or any other amounts funded by the Developer to pay the costs of the sewer treatment plant expansion, the Developer hereby waives and releases any claim to such shortfall.

(ii) Costs of expansion less than funds advanced. If, at the time of the completion of the applicable sewer treatment plant expansion, the costs of the expansion are less than the

aggregate amount of the letters of credit delivered by the Developer to the District for that expansion, the excess letters of credit amounts or funds shall be remitted to the Developer (whether in cash due to a draw on a letter of credit or SPCEFs collected, or in the form of a release of the remainder of a letter of credit).

I. Actual cost of expansion exceeds initial letter of credit amount; security for commitment to provide additional funds. Developer agrees and understands that its obligation to post letters of credit is based on the District's good faith estimate of the costs of expanding its sewer treatment plant to provide the capacity to meet the needs of the Development. To the extent the actual cost of the expansion of the sewer treatment plant exceeds the amount contained in the letter of credit together with the SPCEFs collected (and interest earnings thereon), the Developer agrees to post additional letters of credit to cover its proportionate share of the additional costs of the expansion. To secure the Developer's commitment to fund these additional costs, the Developer shall, simultaneously with the posting of a letter of credit, record in the property records of Flagler County, a lien over property within the District owned by the Developer and determined by the Flagler County Property Appraiser's most recent valuation as having an assessed value of at least 25% of the amount of the letter of credit. This lien shall be in a form acceptable to the District and enable the District to foreclose on this property in the event the Developer fails to post the letter of credit necessary to cover the Developer's share of the additional costs of the sewer treatment plant expansion as provided in this paragraph.

4. Water Capacity

A. Existing capacity. The District presently has an agreement with Palm Coast Utility Corporation (PCUC) under which it is entitled to purchase water capacity from PCUC for sale to District customers (the "PCUC Water Agreement"). As of the date of this Agreement, the District has purchased 200,000 gallons of water capacity to serve the existing Phase I development. The Developer is desirous of having the District expand the capacity of its water system in the future to enable the District to provide service to the area to be developed.

B. Two year estimate of use; purchase of additional capacity. Under the present terms of the PCUC Water Agreement, in general, at specific points in time, the District looks 2 years ahead to determine the amount of additional water capacity it needs. The District will notify Developer ninety days prior to the time the District provides its 2-year estimate to PCUC. Developer agrees that no later than 45 days prior to the point in time that the District provides its 2-year estimate to PCUC, Developer will provide the District with a good faith estimate of the number of

connections and amount of water capacity the Development will need in that 2 year period. The District Engineer shall review that information and determine the amount of water capacity needed to serve that portion of the Development in that time frame.

(i) Estimate of cost. The District Engineer shall review the calculation of costs of the water as provided by PCUC under the terms of the PCUC Water Agreement, and shall provide Developer with the total amount due to purchase the water capacity needed for that two year period of time for the Development. The District Engineer shall present to the District Board its calculations of amount and cost of the water capacity needed by Developer. The District Board shall finally determine and authorize, in accordance with the PCUC Water Agreement and prevailing Florida statutes and rules, the purchase of additional water capacity for the Development, subject to receipt of adequate funds as provided below.

(ii) Developer request outside 2 year period: notice to District. Notwithstanding the time periods described above, if the Developer wishes to reserve water capacity for all or any portion of the Development, it shall provide a written request for same to the District. Such request shall include the amount of water capacity needed, the estimated number of ERCs to be served, the area to be served, and the time frame in which the water capacity is needed. Upon receipt of that request, the District Engineer shall review the request, and seek an estimate of cost from PCUC under the terms of the PCUC Water Agreement. After review of the necessary information, the District Engineer shall present to the District Board the calculation of the amount and cost of the water capacity sought by the Developer. The District Board shall finally determine and authorize, in accordance with the PCUC Water Agreement and prevailing Florida statutes and rules, the purchase of additional water capacity for the Development, subject to receipt of adequate funds as provided below. Developer agrees that it shall make requests of the District for water capacity purchases at least 6 months in advance of needing the capacity.

C. Water System Capital Expansion Fee. The District shall establish a Water System Capital Expansion Fee ("WSCEF") to be imposed in the specific areas to be served by a water system expansion once a determination is made by the Board to purchase additional water capacity. The WSCEF is consistent with the term "Capital Expansion Fee", and is a nonrefundable, nonuser capacity charge reflecting the proportionate share of the costs of expanding, oversizing, separating or constructing the new water capacity addition to the water system. The District shall designate the customers in the areas to be served by the water capacity expansion as a new class of customers who will be charged the WSCEF.

D. Developer to fund expansion. Developer agrees that once the District Board has authorized the purchase of water capacity for all or any portion of the Development, it shall make the total amount of funds needed to purchase that water capacity available to the District within 10 business days of written request for same.

E. Collection of WSCEF; deposit of funds. The District will collect the WSCEF no later than the time a potable water meter is requested. The District agrees to deposit with the Trustee as long as the Bonds are outstanding, all WSCEFs collected for deposit to the Capital Expansion Fee Fund provided for in the Second Supplemental Indenture to be used in accordance with Section 5.08 of the Second Supplemental Indenture. If there are no Bonds outstanding at any time, the District agrees to hold the WSCEFs collected separate and apart from all other District revenues and to use the WSCEFs solely for the costs of the applicable water capacity expansion.

(i) Interest earnings on WSCEFs. Interest earnings on the WSCEFs in the Capital Expansion Fee Fund shall remain in that fund to be used for the same purposes as the WSCEFs. Annually, within 30 days of the end of the District's fiscal year, the District shall determine the amount of interest earned, if any, on WSCEFs collected from the Development.

(ii) Separate accounting for WSCEFs. If the District has entered into more than one Utility Expansion Agreement and is collecting more than one WSCEF, then the District shall take all actions reasonably necessary to account for the WSCEFs attributable to each developer's obligation, including interest earnings, even though all such monies may be deposited to a single Capital Expansion Fee Fund.

F. Remittance of WSCEFs for expansion funds advanced; WSCEFs insufficient to fully reimburse funds advanced. The District agrees that during the "Recovery Period" (as hereinafter defined) it will pay to the Developer an amount equal to the aggregate WSCEFs collected by the District up to the amount of the actual costs of the water system expansion advanced by the Developer. The term "Recovery Period" shall mean the lesser of (i) a period of 10 years from the date of the advancement of the funds by the Developer, or (ii) if the useful life of any water capacity facilities being expanded is less than 10 years as determined by the District, then the District will pay over that shorter period as the District may determine. If the amount of WSCEFs collected over the Recovery Period is less than the total amount of the funds advanced for the water system expansion, the Developer hereby waives and releases any claim to such shortfall.

G. District certification conditions. The District agrees that, subject to the Developer's payment of the amount due under paragraph 4D above, the District will, at the Developer's request, (i) make the certifications required to evidence that potable water capacity is available for the Development in order for the Developer to obtain the necessary permits from the various regulatory authorities with jurisdiction over the Development or construction of any improvements within the Development, and (ii) from time-to-time issue letters to such third parties as the Developer may identify, confirming that, subject to the Developer complying with its obligations under this Agreement, that potable water capacity is available for the Development.

5. Effluent/Irrigation Water

A. Existing irrigation capabilities. The District presently has an agreement with PCUC to supply the District with effluent for irrigation, including certain "minimum take" provisions. In addition, the District has undertaken, subject to a funding agreement with another developer, to construct a test well for irrigation purposes. The District may, in its sole discretion, also seek to obtain irrigation water from "Ditch 10"; however, such use would require an additional permit which the District has not obtained. The District is also considering, in its pending rulemaking proceeding, the adoption of an irrigation conservation policy. The District intends to proceed in good faith to take those actions it deems reasonably necessary to provide sufficient effluent for irrigation; however, nothing herein shall guarantee that on any particular day or time, sufficient effluent or irrigation water shall be available. The District will use its best efforts to provide effluent or irrigation water under reasonable terms and conditions.

B. Developer need for irrigation. The Developer is in need of effluent or irrigation water for irrigation for its residential properties and common areas. Developer has estimated that it needs _____ gallons per day to meet its residential and common area irrigation needs. This equates to approximately _____ EICs (Effluent Irrigation Connections). The Developer presently expects that the use of this irrigation water will occur over the next _____ years, subject to change due to a variety of factors, including market conditions, permitting and construction timetables. The residential and common area to be served is identified in Exhibit A.

(i) The execution of this Agreement does not constitute a request for effluent/irrigation treatment plant capacity by Developer. Developer agrees that no less than 24 months prior to Developer's expected need for all or any portion of its identified effluent/irrigation demand for the Development, it

will make a written request to the District for the provision of effluent/irrigation water.

(ii) Upon receipt of that request, the District Engineer shall review it, and make an estimate of the cost to meet the requested need. The District and the Developer agree to work in good faith to reach an agreement as to the facilities necessary to accommodate the expansion. After review of the necessary information, the District Engineer shall present to the District Board the description and calculation of the amount and cost of the expansion of the effluent/irrigation treatment capacity sought by the Developer. The District Board shall finally determine and authorize the amount, type and cost of the expansion of the effluent/irrigation treatment system, in accordance with the prevailing Florida statutes and rules, and subject to receipt of adequate funds as provided in paragraph 5D below.

C. Establishment of Effluent System Capital Expansion Fee. The District shall establish an Effluent System Capital Expansion Fee ("ESCEF") to be imposed in the area to be served by the effluent/irrigation treatment capacity expansion once the determination is made by the District that it is necessary to expand the effluent irrigation system. The ESCEF is consistent with the term "Capital Expansion Fee", and is a nonrefundable, nonuser capacity charge reflecting the proportionate share of the costs of expanding, oversizing, separating or constructing a new capacity addition to the effluent/irrigation system. The District shall designate the customers in the areas to be served by the effluent/irrigation treatment plant capacity expansion as a new class of customers who will be charged the ESCEF.

D. Developer to advance funds for expansion. The Developer agrees to provide the District with sufficient funds to cover the cost of the expansion of any necessary effluent treatment plant capacity to enable effluent to be used for irrigation, including but not limited to additional storage capacity, or the expansion of an irrigation water alternative system, for the areas identified by the Developer, pursuant to a funding agreement with the District. All references to the term "effluent/irrigation treatment plant capacity" shall include the addition of storage capacity or the development of an irrigation water alternative system. The District shall reimburse the Developer under the terms of that funding agreement as it collects the ESCEFs.

E. Collection of ESCEF; deposit of funds. The District will collect the ESCEF no later than the time a potable water meter is requested. The District agrees to deposit with the Trustee as long as the Bonds are outstanding, all ESCEFs collected for deposit to the Capital Expansion Fee Fund provided for in the Second Supplemental Indenture to be used in accordance with Section 5.08 of the Second Supplemental Indenture. If there are no Bonds

outstanding at any time, the District agrees to hold the ESCEFs collected separate and apart from all other District revenues and to use the ESCEFs solely for the costs of the applicable effluent/irrigation treatment plant capacity expansion.

(i) Interest earnings on ESCEFs. Interest earnings on the ESCEFs in the Capital Expansion Fee Fund shall remain in that fund to be used for the same purposes as the ESCEFs. Annually, within 30 days of the end of the District's fiscal year, the District shall determine the amount of interest earned, if any, on ESCEFs collected from the Development.

(ii) Separate accounting for ESCEFs. If the District has entered into more than one Utility Expansion Agreement and is collecting more than one ESCEF, then the District shall take all actions reasonably necessary to account for the ESCEFs attributable to each developer's obligation, including interest earnings, even though all such monies may be deposited to a single Capital Expansion Fee Fund.

F. Recovery of funds advanced: ESCEFs insufficient to fully reimburse costs of expansion. The District agrees that during the "Recovery Period" (as hereinafter defined) it will pay to the Developer an amount equal to the aggregate ESCEFs collected by the District up to the amount of the actual costs of the effluent/irrigation treatment plant capacity expansion advanced by the Developer. The term "Recovery Period" shall mean the lesser of (a) a period of 20 years from the date of the advancement of the funds provided in paragraph 5D above, or (b) if the useful life of the facilities being expanded is less than 20 years as determined by the District, then the District will pay over that shorter period as the District may determine. If the amount of ESCEFs collected over the Recovery Period is less than the amount of the funds advanced by the Developer to pay the costs of the effluent/irrigation treatment plant capacity expansion, the Developer hereby waives and release any claim to such shortfall.

(i) Costs of expansion less than funds advanced. If, at the time of the completion of the applicable effluent irrigation treatment plant capacity expansion, the costs of the expansion are less than the aggregate amount of the funds advanced by the Developer to the District for that expansion, the excess funds shall be remitted to the Developer.

6. Other Utility Facilities

A. Installation of facilities by Developer; dedication to District. Developer agrees to install, at its sole cost and expense, all other utility systems, facilities, plant and property necessary to provide service to the area being developed. This includes all collection and distribution facilities, lift stations,

and subdivision lines, whether for water, sewer or effluent/irrigation. Developer agrees that it will, upon completion, dedicate such systems, facilities and plant to the District at no cost or expense to the District, together with any reasonably required easements, licenses or property interests.

B. District approval of Developer plans. Developer agrees that prior to the installation of any such utility facilities which may ultimately be dedicated to the District for the provision of utility service, it will submit to the District its plans for review and approval by the District Engineer. All such installations and review shall be in accordance with the District's rules.

7. Applicable District Rates, Fees and Charges

A. Inasmuch as new class or classes of customers served by the utility system expansion contemplated in this agreement will be paying the SPCEF, WSCEF, and ESCEF established by the District, the District agrees that it is appropriate to review its existing rate structure to ensure that the application of all other existing rates, fees and charges are appropriate. The District Board hereby authorizes the drafting of specific rule language to be considered in its pending rulemaking proceeding to:

1. establish the Sewer Plant Capital Expansion Fee, the Water System Capital Expansion Fee, and the Effluent System Capital Expansion Fee for the areas subject to this Agreement;

2. consider the elimination of the existing connection fee for this new area as unrelated to the costs associated with the expansion;

3. consider a reduction in standby charges for this area to an amount necessary solely for the operation and maintenance of the District utility system as a whole, inasmuch as a portion of the existing standby charge appears to have been set to recover costs not associated with the expansion of the systems;

4. require that standby charges for this area be imposed upon the dedication of the lines and other facilities to the District in accordance with the preceding paragraph 6;

5. provide that all meter fees shall be the same for all areas of the District, as those costs do not differ by expansion of the system;

6. provide that minimum monthly charges and commodity charges shall apply to all active connections;

7. revise, as necessary to accommodate permitting deadlines and encourage the timely, efficient and economical provision of service, existing rules regarding the review and approval of utility system expansion plans by the District and standards and conditions for interconnection of new facilities; and

8. set forth the District's utility expansion policy by rule such that future developers wishing to have service in their areas can be reasonably informed of the District's intention with respect to the financing and provision of those services, including but not limited to any additional expansion necessary to serve Phase I.

9. such other revisions as may be necessary to carry out the intent of this Agreement.

B. The District agrees to proceed in good faith to consider and adopt rules to cover these matters in a timely manner. The Developer reserves all rights to participate in the District's rulemaking process.

8. [this section intentionally left blank]

9. Future Utility Expansions Notwithstanding any other provision of this Agreement, nothing herein shall in any way limit the District's ability to plan for and provide additional utility service within its boundaries, nor prevent it from entering into other agreements for the expansion of the utility system with other landowners or developers, provided that any such other agreements shall not materially adversely affect the District's ability to fulfill its obligations and duties under this Agreement. The District, in its sole discretion and consistent with then-existing Florida law and rules and sound engineering practice, shall determine the appropriate increment of utility system expansions needed in the future. Nothing herein shall require the District to take any action in contravention of Florida law, including but not limited to the requirement to set just, equitable and uniform rates for users of the same class, and to meet the debt service on its outstanding bonds. Nothing herein shall prevent the District from taking all actions reasonably necessary to comply with applicable changing environmental rules, regulations, laws or enforcement actions relating to the operation of its utility system, and nothing herein shall limit the fair share obligation of the Developer or future customers, if any, for these changes or actions.

10. Tax Liability. The Developer agrees to indemnify the District from and make payment for any and all tax liability, ad valorem, personal property, intangibles or otherwise, which may be imposed upon the District or the Developer as a result of the Developer entering into this Agreement, whether such taxes are

imposed upon the District's property or property interest, or Developer's property or property interest, or any other such tax. The Parties agree to provide notice to the other within ten (10) calendar days of receipt of any notice of potential or actual tax liability from a taxing authority. The Developer covenants to pay such taxes in a timely manner in accordance with Florida law. The Developer agrees to make payment directly to the taxing authority. In the event that the Developer fails to make timely payment of any such taxes, the Developer acknowledges the District's right to make such payment. If the District makes such payment, the Developer agrees to reimburse the District within seven (7) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District. The Parties reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax in good faith they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

11. No taxes or assessments. Nothing in this Agreement shall in any manner obligate or require the District to impose any taxes or assessments on any property within the District to finance or fund the costs of expansion of the water, sewer or effluent irrigation facilities.

12. Indemnification. The Developer agrees to indemnify and hold harmless the District and its officers, staff, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or claims of any nature, arising out of, or in connection with, this Utility Expansion Agreement, including litigation or any appellate proceedings with respect thereto; provided, however, that the Developer shall not indemnify the District for a default by the District under this Agreement.

13. Default. A default by the Developer under this Agreement shall entitle the District to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief and specific performance. A default by the District under this Agreement shall entitle the Developer to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief and specific performance.

14. Enforcement of Agreement. In the event that the District is required to enforce this Agreement by court proceedings or otherwise, then the Developer agrees that if the District is the prevailing party then the District shall be entitled to recover from the Developer all costs incurred, including reasonable

attorneys' fees for trial, alternative dispute resolution, or appellate proceedings. In the event that the Developer is required to enforce this Agreement by court proceedings or otherwise, then the District agrees that if the Developer is the prevailing party then the Developer shall be entitled to recover from the Developer all costs incurred, including reasonable attorneys' fees for trial, alternative dispute resolution, or appellate proceedings.

15. Liability. Nothing in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability contained in section 768.28, Florida Statutes, or other statute.

16. Agreement. This instrument shall constitute the final and complete expression of this Agreement between the parties relating to the subject matter of this Agreement.

17. Amendments. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto.

18. Authorization. The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this instrument.

19. Notices. All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

A. If to Developer: Northshore Hammock, L.P.

Attention: Edward R. Ginn

With a copy to:

John G. Morris, Esq.
Morris, Manning & Martin,
L.L.P.
1600 Atlanta Financial Center
3323 Peachtree Road N.E.
Atlanta, GA 30326
and
Dean Adler
LA-Hammock, LLC
Suite 800 Belgravia Building
1811 Chestnut Street
Philadelphia, PA 19103

B. If to District: Dunes Community Development
District
5000 Palm Coast Parkway
Palm Coast, Florida 32037
Attn: Gary Moyer

With a copy to: Hopping Green Sams & Smith, P.A.
123 South Calhoun Street
Post Office Box 6526
Tallahassee, Florida 32314
Attn: Cheryl Stuart

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address set forth herein. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the parties may deliver Notice on behalf of the parties. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

20. Third Party Beneficiaries. This Agreement is solely for the benefit of the Developer and District and their successors and assigns, as permitted hereunder, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any other person or legal entity. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any other person or legal entity other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.

21. Assignment. Except as otherwise provided herein, neither party may assign this Agreement or any monies to become due hereunder without the prior written approval of the other party, which approval shall not be unreasonably withheld, conditioned or delayed. Developer shall, have the right from time to time to assign or transfer utility capacity reserved by the Developer pursuant to this Agreement to any successor(s) in title to all or

any portion of the lands comprising the Development; provided however that without the District's prior approval, which shall not be unreasonably withheld, conditioned, or delayed, such assignment or transfer shall not affect Developer's obligations or rights under this Agreement to finance capacity expansions, including but not limited to the posting of letters of credit or funding water or effluent or irrigation expansions.

22. Controlling Law. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida.

23. Negotiation at Arms Length. This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

24. Effective Date. The Agreement shall be effective after execution by both parties hereto.

25. Public Records. The Developer understands and agrees that all documents of any kind provided to the District or to District Staff in connection with the activities contemplated under this Agreement are public records and are treated as such in accordance with Florida law.

26. Severability. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

In Witness whereof, this Agreement has been entered into as of this
____ day of October, 1998.

Dunes Community Development District

Attest:

By: 

Northshore Hammock, L.P., a Georgia
limited Partnership

By: Northshore G.P., L.L.C. General Partner

Attest:

By: 

Edward R. Glinn, Manager

EXHIBIT "A"

LEGAL DESCRIPTION

DEVELOPMENT AREA B

TWO PARCELS OF LAND BEING PORTIONS OF GOVERNMENT SECTIONS 28, 33 AND 40, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1:

COMMENCING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF HOTEL TRACE AND THE EAST RIGHT-OF-WAY LINE OF OCEAN WAY AS SHOWN ON THE SUBDIVISION PLAT OF "OCEAN RIDGE" AS RECORDED IN MAP BOOK 30, PAGE 91 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 350.00 FEET, AN ARC LENGTH OF 53.12 FEET, A CENTRAL ANGLE OF 08°41'47" AND A CHORD BEARING S89°54'58"W, 53.07 FEET TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE N06°29'01"E A DISTANCE OF 298.21 FEET TO THE POINT OF BEGINNING; THENCE N83°30'59"W A DISTANCE OF 14.55 FEET TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 145.00 FEET, AN ARC LENGTH OF 68.90 FEET, AND A CENTRAL ANGLE OF 27°13'28"; THENCE N56°17'30"W A DISTANCE OF 206.21 FEET; THENCE S28°02'20"W A DISTANCE OF 22.27 FEET; THENCE N61°57'40"W A DISTANCE OF 218.72 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC LENGTH OF 67.83 FEET AND A CENTRAL ANGLE OF 22°12'31"; THENCE N84°10'12"W A DISTANCE OF 475.71 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 80.00 FEET, AN ARC LENGTH OF 99.62 FEET AND A CENTRAL ANGLE OF 71°20'54"; THENCE N12°49'17"W A DISTANCE OF 553.07 FEET; THENCE N11°00'23"W A DISTANCE OF 546.01 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 210.79 FEET, AN ARC LENGTH OF 31.44 FEET AND A CENTRAL ANGLE OF 08°32'49"; THENCE N05°52'32"W A DISTANCE OF 897.85 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 310.00 FEET, AN ARC LENGTH OF 136.21 FEET, A CENTRAL ANGLE OF 25°10'29" AND A CHORD BEARING S86°09'56"W, 135.11 FEET TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE S07°39'51"W A DISTANCE OF 903.20 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC LENGTH OF 57.03 FEET AND A CENTRAL ANGLE OF 18°40'13"; THENCE S11°00'23"E A DISTANCE OF 579.55 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 664.19 FEET, AN ARC LENGTH OF 5.54 FEET AND A CENTRAL ANGLE OF 00°28'41"; THENCE S12°49'17"E A DISTANCE OF 449.78 FEET; THENCE S14°22'18"E A DISTANCE OF 162.97 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 660.00 FEET, AN ARC LENGTH OF 68.59 FEET AND A CENTRAL ANGLE OF 5°57'15" TO A NON TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE S69°48'30"E A DISTANCE OF 761.97 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 126.19 FEET, AN ARC LENGTH OF 23.96 FEET AND A CENTRAL ANGLE OF 10°52'50" TO A POINT; THENCE S61°56'27"E A DISTANCE OF 361.25 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 749.99 FEET, AN ARC LENGTH OF 370.26 FEET AND A CENTRAL ANGLE OF 28°17'10" TO A POINT; THENCE S71°16'17"W A DISTANCE OF 418.05 FEET; THENCE S70°10'00"W A DISTANCE OF 115.00 FEET; THENCE N19°50'00"W A DISTANCE OF 595.60 FEET TO A NON TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 580.00 FEET, AN ARC LENGTH OF 373.49 FEET AND A CENTRAL ANGLE OF 36°53'45" TO A POINT; THENCE N76°44'07"W A DISTANCE OF 319.07 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 824.75 FEET, AN ARC LENGTH OF 1577.76 FEET AND A

CENTRAL ANGLE OF 109°36'27" TO A POINT; THENCE N32°52'20"E A DISTANCE OF 208.58 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 1140.00 FEET, AN ARC LENGTH OF 1048.67 FEET AND A CENTRAL ANGLE OF 52°42'20" TO A POINT; THENCE N19°50'00"W A DISTANCE OF 863.12 FEET; THENCE N71°10'52"E A DISTANCE OF 80.01 FEET; THENCE S19°50'00"E A DISTANCE OF 861.70 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 1220.00 FEET, AN ARC LENGTH OF 371.50 FEET AND A CENTRAL ANGLE OF 17°26'49" TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE N88°22'11"E ALONG SAID NON-TANGENT LINE A DISTANCE OF 230.67 FEET; THENCE N44°39'18"E A DISTANCE OF 27.61 FEET; THENCE N44°39'55"E A DISTANCE OF 452.25 FEET; THENCE S77°31'49"E A DISTANCE OF 215.00 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.87 FEET, AN ARC LENGTH OF 112.47 FEET AND A CENTRAL ANGLE OF 36°38'23"; THENCE N65°44'11"E A DISTANCE OF 411.46 FEET; THENCE S30°16'18"E A DISTANCE OF 317.08 FEET; THENCE S20°01'47"W A DISTANCE OF 140.89 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 240.17 FEET, AN ARC LENGTH OF 160.12 FEET AND A CENTRAL ANGLE OF 38°12'00" TO A NON-TANGENT LINE; THENCE ALONG SAID NON-TANGENT LINE S08°02'09"E A DISTANCE OF 205.04 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 215.04 FEET, AN ARC LENGTH OF 117.41 FEET, A CENTRAL ANGLE OF 31°17'00" AND A CHORD BEARING S55°40'21"E, 115.96 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 70.00 FEET, AN ARC LENGTH OF 63.80 FEET AND A CENTRAL ANGLE OF 52°13'10"; THENCE N87°45'05"E A DISTANCE OF 94.89 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 70.00 FEET, AN ARC LENGTH OF 29.81 FEET AND A CENTRAL ANGLE OF 24°23'45" TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 210.00 FEET, AN ARC LENGTH OF 308.08 FEET AND A CENTRAL ANGLE OF 84°03'24" TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET, AN ARC LENGTH OF 59.98 FEET, A CENTRAL ANGLE OF 45°49'25" AND A CHORD BEARING S05°26'29"W, 58.40 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 180.00 FEET, AN ARC LENGTH OF 304.10 FEET AND A CENTRAL ANGLE OF 96°47'51" TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC LENGTH OF 223.96 FEET AND A CENTRAL ANGLE OF 73°19'34"; THENCE S05°41'24"W A DISTANCE OF 534.00 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC LENGTH OF 90.31 FEET AND A CENTRAL ANGLE OF 29°34'10"; THENCE S23°45'24"E A DISTANCE OF 793.35 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET, AN ARC LENGTH OF 65.11 FEET AND A CENTRAL ANGLE OF 49°44'28"; THENCE S61°57'40"E A DISTANCE OF 235.92 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 370.00 FEET, AN ARC LENGTH OF 66.26 FEET, A CENTRAL ANGLE OF 10°15'39" AND A CHORD BEARING S01°21'12"W, 66.17 FEET; THENCE S06°29'01"W A DISTANCE OF 22.60 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

TOGETHER WITH PARCEL 2

COMMENCING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF HOTEL TRACE AND THE EAST RIGHT-OF-WAY LINE OF OCEAN WAY AS SHOWN ON THE SUBDIVISION PLAT OF "OCEAN RIDGE" AS RECORDED IN MAP BOOK 30, PAGE 91 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE S03°30'58"E ALONG SAID EAST RIGHT-OF-WAY LINE OF OCEAN WAY A DISTANCE OF 83.81 FEET; THENCE DEPARTING SAID EAST RIGHT-OF-WAY LINE N06°29'01"E A DISTANCE OF 203.79 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N06°29'01"E A DISTANCE OF 152.21 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 430.00 FEET, AN ARC LENGTH OF 162.22 FEET AND A CENTRAL ANGLE OF 21°36'55" TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE S84°16'49"E A DISTANCE OF 401.90 FEET; THENCE S62°34'35"E A DISTANCE OF 449.74 FEET; THENCE S47°40'04"E A DISTANCE OF 320.13 FEET; THENCE S48°04'09"E A DISTANCE OF 73.56 FEET TO A POINT ON THE BOUNDARY OF "OCEAN RIDGE" AS RECORDED IN MAP BOOK 30, PAGE 91, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE ALONG SAID BOUNDARY LINE THE FOLLOWING FIVE COURSES AND DISTANCES; (1) S36°22'06"E, 47.12 FEET; (2) S00°52'55"E, 118.25 FEET; (3) S13°37'08"E, 103.46 FEET; (4) S17°17'06"E, 86.03 FEET; (5) S08°22'43"W, 55.14 FEET; THENCE DEPARTING SAID BOUNDARY LINE OF "OCEAN RIDGE" S81°32'22"W A DISTANCE OF 87.65 FEET; THENCE N47°40'04"W A DISTANCE OF 614.98 FEET; THENCE N62°34'35"W A DISTANCE OF 348.14 FEET; THENCE N84°16'49"W A DISTANCE OF 318.40 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

Utility Expansion Agreement-Lowe Ocean Hammock, Ltd.

This agreement ("Agreement") is made and entered into this 12 day of February, 1999, by and between the Dunes Community Development District, a local unit of special-purpose government located in Flagler County, Florida, hereinafter referred to as "District", and Lowe Ocean Hammock, Ltd., a Florida limited partnership, authorized to do business in the state of Florida, hereinafter referred to as "Developer".

Recitals

The District was established by a rule of the Florida Land and Water Adjudicatory Commission in October, 1985, in accordance with Chapter 190, Florida Statutes, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure improvements and facilities, including potable water, wastewater (or sewer), and reuse/effluent irrigation facilities (the "Utility System"); and

The District currently owns, operates and maintains the Utility System which provides service to properties within the boundaries of the District; and

The Developer requires assurances that potable water, wastewater (or sewer) and reuse/effluent irrigation services are available to the properties the Developer intends to develop within the District; and

On September 25, 1998 the District Board of Supervisors ("Board") authorized a utility expansion policy to generally outline the responsibilities for the expansion of the Utility System in areas within the District not presently served by the District; and

The District and Developer are entering into this Agreement to further refine and clarify the District's general policy and their respective undertakings with respect to expanding the Utility System to service specific areas of land within the District; and

The District and the Developer desire to ensure the timely, efficient, and economical expansion of the District's Utility System to ensure the provision of water, sewer and effluent irrigation to the existing and future residents and landowners of the District.

Now therefore, for and in consideration of the mutual promises and obligations hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged, the District and the Developer agree as follows:

1. Recitals and Scope of Agreement. The recitals so stated above are true and correct and by this reference are incorporated as a material part of this Agreement. The Developer and District agree that this Agreement provides the process by which the Developer shall make requests for utility services (water, wastewater or sewer and effluent/irrigation) to the Development (as

hereinafter defined), subject to applicable provisions of Florida law and the duly adopted rules of the District. As more fully set forth below, the Developer has asked the District to ensure the provision of 125,000 gallons per day of sewer treatment plant capacity at this time. The District will promptly upon the execution of this Agreement begin to take the steps necessary, subject to the terms and conditions herein, to construct the sewer treatment plant capacity. Future increments of sewer treatment plant capacity will be requested in accordance with the provisions of this Agreement. References in this Agreement to multiple letters of credit are meant to acknowledge the potential incremental need for sewer treatment plant capacity to serve the Development or supplemental letters of credit to provide the entire cost of an expansion.

2. Definitions.

(i) "Capital Expansion Fee" shall be as defined in Article I of the Second Supplemental Trust Indenture by and between the District and the Trustee dated December 1, 1988, as amended and supplemented by a First Amendment to the Second Supplemental Trust Indenture dated August 1, 1992 for the District's Revenue Refunding Bonds (Water and Sewer Project) Series 1992 (the "Second Supplemental Indenture").

(ii) "Capital Expansion Fee Fund" shall be that fund provided for in the Second Supplemental Indenture.

(iii) "Trustee" shall be that Trustee designated by the District in accordance with and pursuant to the Second Supplemental Indenture.

(iv) "Bonds" shall mean the obligations of the District authorized to be issued pursuant to Sections 2.01, 3.02 and 3.03 of the Second Supplemental Indenture.

(v) "Cost" or "cost" shall include the items specified in s. 190.003(7), F.S.

(vi) All other terms used in this Agreement not specifically defined shall have the meaning ascribed in the Second Supplemental Indenture or Chapter 190, Florida Statutes. To the extent of a conflict, the term shall be given the meaning consistent with the intent of this Agreement.

3. Sewer Capacity

A. Existing facilities. The District has an existing 250,000 gallon per day sewer treatment plant which is providing sewer service to or has been reserved for use by existing portions of "Phase I" of the District; however, the sewer treatment plant is not fully utilized at this time, i.e., flows into the plant are less than the permitted capacity. A 250,000 gallon per day expansion of the

sewer treatment plan, which will be necessary in the future to serve additional land areas within the District, has been designed and permitted by the District.

B. Developer request. Developer has requested that the District enter into this Agreement to assure Developer that the District currently has or will have sufficient sewer treatment plant capacity to serve its development of the areas of land described on Exhibit A attached hereto and by this reference made a part hereof (the "Development") Developer has advised the District that over the next 10 years, it will need approximately 142,200 gallons per day of sewer treatment plant capacity to serve approximately 600 ERCs in the Development, subject to change due to a variety of factors, including market conditions, permitting and construction timetables. As of the date of this Agreement, Developer is asking the District to make provision for 125,000 gallons of sewer treatment plant capacity to serve 527 ERCs within the Development.

1. With respect to the District's initial 250,000 gallon per day sewer treatment plant expansion, Developer has agreed to post cash in the amount of its pro rata share requested by the District to enable the District to commence construction of the sewer treatment plant expansion. To the extent Developer's pro rata share of the actual cost of the expansion exceeds the funds provided by the Developer, whether due to site conditions, permitting or regulatory requirements, unforeseen increased labor costs, or other increases due to circumstances not initiated by the District, Developer agrees to provide its pro rata share of such additionally needed monies within 7 days of a request by the District. The District agrees that these monies will only be used to fund the sewer treatment plant capacity expansion and will not be used for or pledged as security for any other District obligation. The District shall separately account for these funds in a manner consistent with governmental accounting procedures.

2. The Developer agrees that notwithstanding any other provision of this Agreement, no SPCEF shall be set for the ERCs to be served by the 250,000 gallon per day sewer treatment plant expansion, and that connection fees designed to recover the costs of such capacity shall not be applied.

3. If, at the time of completion of the sewer treatment plant expansion, the Developer's pro rata share of the costs (50%) of the expansion are less than the amount of cash delivered by the Developer to the District for the expansion, such excess funds shall be remitted to the Developer.

4. Upon Developer's payment of the funds required pursuant to 3B1 above, the District shall reserve 125,000 gallons per day of sewer treatment plant capacity for the Development.

C. District certifications; conditions. The District agrees that, subject to 1) the Developer delivering one or more letters of credit in form and in amounts as required from time to time by this Agreement; or 2) the receipt of sufficient funds from the Developer under the terms of

this Agreement; and 3) subject to the provisions of paragraph 3D(ii) as it applies to requests for sewer treatment capacity other than the Developer's pending request for 125,000 gallons, the District will, at the Developer's request, (i) make the certifications required to evidence that sewer treatment plant capacity is available for the Development in order for the Developer to obtain the necessary permits from the various regulatory authorities with jurisdiction over the Development or construction of any improvements within the Development, and (ii) from time-to-time issue letters to such third parties as the Developer may identify, confirming that, subject to the Developer complying with its obligations under this Agreement, sewer treatment plant capacity is available for the Development.

D. Determination of cost of capacity. The provisions of the following paragraphs 3D through 3I shall apply to future requests for sewer treatment plant capacity and not to the Developer's present request for 125,000 gallons per day. The District, in its sole discretion, in accordance with its applicable rules and regulations, the laws of the State of Florida and the following procedures will determine the cost of the expansion of the sewer treatment plant required from time to time to meet Developer's sewer treatment plant capacity requirements for the Development.

(i) Definition. The term "sewer treatment plant" shall mean all systems, facilities, or property useful or necessary to treat, purify or dispose of sewage which can be permitted under Florida law. The term "sewer treatment plant" does not include collection lines, force mains, lift stations, or laterals. To the extent a system, facility or property could be characterized as either a portion of the sewer treatment plant or the effluent/irrigation system, the District shall, in its sole discretion, determine to which system those facilities and its costs are reasonably, justly and equitably allocated.

(ii) Future requests. As to the Developer's future requests for evidence of sewer treatment plant capacity pursuant to paragraph 3C, the Developer acknowledges that such requests may occur at a time when the actual usage of the sewer treatment plant's then-existing capacity as determined by the District Engineer may be so high that the District Engineer may advise the Board that issuance of the certifications and/or letters described in paragraph 3C should be delayed. In the event the Board accepts the District Engineer's determination that there should be a delay, the District shall reevaluate the basis for the delay on a quarterly basis and seek to eliminate the delay as quickly as possible. In the event of such delay, Developer shall have the election to either withdraw its request for sewer treatment plant capacity or continue with the request and post the requisite letter of credit to cover the cost of the requested sewer treatment plant capacity as determined in this Agreement. In the event the Developer posts the letter of credit in accordance with this Agreement, the District will provide the requested certifications and/or letters required under paragraph 3C.

(iii) Calculation of cost; amount of letter of credit. The District Engineer shall prepare a report to the Board which sets forth a good faith estimated cost of the expansion of the

sewer treatment plant. The Board shall take final action to review, amend if necessary, and approve the estimated cost of the sewer treatment plant expansion and determine the amount of the letter of credit, which shall not exceed 110% of the cost as determined by the Board. The letter of credit shall be from a National Bank, subject to the District's approval as to the form of the letter and the bank on which it is drawn, which approval shall not be unreasonably withheld, conditioned or delayed. The letter of credit shall be delivered to the District within 10 business days of the Board's determination of the amount to be posted. Cash may be posted with the District in lieu of a letter of credit, and any and all references in this Agreement to letters of credit shall include cash balances posted with the District by the Developer in lieu of letters of credit.

E. District right to draw on letter of credit. The District shall be entitled to draw on a letter of credit when it is necessary to commence work on the expansion of the sewer treatment plant for which a letter of credit has been posted, which activities include study, permitting, design and engineering. The District's activities to expand its sewer treatment plant shall be done in accordance with then-existing permit conditions, Florida statutes, Florida Department of Environmental Protection rules, and applicable regulations of other governmental regulatory bodies with jurisdiction. The proceeds of all funds drawn on the Developer's letter(s) of credit will be deposited in the Capital Expansion Fee Fund, if Capital Expansion Fees are established.

F. Establishment of Sewer Plant Capital Expansion Fee. In connection with each increment of sewer treatment plant capacity expansion requested by the Developer under this Agreement other than the initial request for 125,000 gallons, the District, upon the request of the Developer, shall establish a Sewer Plant Capital Expansion Fee ("SPCEF") to be imposed in the specific areas to be served by the intended sewer treatment plant capacity expansion. The SPCEF is consistent with the term "Capital Expansion Fee", and is a nonrefundable, nonuser capacity charge reflecting the proportionate share of the costs of expanding, oversizing, separating or constructing the expansion of the sewer treatment plant. If an SPCEF is set, the District shall designate the customers in the areas to be served by the sewer treatment plant expansion as a new class of customers who will be charged the SPCEF.

G. Collection of SPCEF; deposit of funds. The District will collect the SPCEF no later than the time a potable water meter is requested. The District agrees to deposit with the Trustee as long as the Bonds are outstanding, all SPCEF collected for deposit to the Capital Expansion Fee Fund provided for in the Second Supplemental Indenture to be used in accordance with Section 5.08 of the Second Supplemental Indenture. If there are no Bonds outstanding at any time, the District agrees to hold the SPCEFs collected separate and apart from all other District revenues and to use the SPCEFs solely for the costs of the applicable expansion of the sewer treatment plant.

(i) Reduction in letter of credit by SPCEFs collected. Subject to the provisions of paragraph 3I below, each quarter, the District shall determine the total amount of SPCEFs collected, and take all actions reasonably necessary to reduce the Developer's letter(s) of

credit by a like amount, such that the total amount of the letters of credit available to the District together with the SPCEFs on hand shall be equal to the cost of the applicable sewer treatment plant expansion. If the District is in the process of actually expanding its sewer treatment plant, the District may in its discretion use the SPCEFs collected to pay the direct costs associated with those expansion activities

(ii) Interest earnings on SPCEFs. Interest earnings on the SPCEFs in the Capital Expansion Fee Fund shall remain in that fund to be used for the same purposes as the SPCEFs. Annually, within 30 days of the end of the District's fiscal year, the District shall determine the amount of interest earned, if any, on SPCEFs collected from the Development, and take all actions reasonably necessary to reduce the amount of the Developer's letter(s) of credit available to the District in an amount of those earnings.

(iii) Separate accounting for SPCEFs. If the District has entered into more than one Utility Expansion Agreement and is collecting more than one SPCEF, then the District shall take all actions reasonably necessary to account for the SPCEFs attributable to each developer's obligation, including interest earnings, even though all such monies may be deposited to a single Capital Expansion Fee Fund

H District right to draw on letter of credit. If, at the time any of the Developer's letters of credit are delivered to and accepted by the District, the District and the Developer are unable to agree on a schedule of periodic draws against such letter of credit, the District will have the right to draw up to 100% of such letter of credit at such time as the activities necessary for the expansion of the sewer treatment plant have commenced.

(i) Recovery of funds advanced; SPCEFs insufficient to fully reimburse costs of expansion. The District agrees that during the "Recovery Period" (as hereinafter defined) it will pay to the Developer an amount equal to the aggregate SPCEFs collected by the District up to the amount of the actual costs of the sewer treatment plant expansion advanced by the Developer. The term "Recovery Period" shall mean the lesser of (i) a period of 20 years from the date of posting of the Developer's letter of credit, or (ii) if the useful life of the facilities being expanded is less than 20 years as determined by the District, then the District will pay over that shorter period as the District may determine. If the amount of SPCEFs collected over the Recovery Period is less than the amount of the Developer's letter of credit or any other amounts funded by the Developer to pay the costs of the sewer treatment plant expansion, the Developer hereby waives and releases any claim to such shortfall. If no SPCEFs are established, the Developer shall not be entitled to reimbursement for any funds advanced.

(ii) Costs of expansion less than funds advanced. If, at the time of the completion of the applicable sewer treatment plant expansion, the costs of the expansion are less than the aggregate amount of the letters of credit or cash delivered by the Developer to the District for that

expansion, the excess letters of credit amounts or funds shall be remitted to the Developer (whether in cash due to a draw on a letter of credit, cash deposits, or SPCEFs collected, or in the form of a release of the remainder of a letter of credit).

I. Actual cost of expansion exceeds initial letter of credit amount; security for commitment to provide additional funds. Developer agrees and understands that its obligation to post letters of credit is based on the District's good faith estimate of the costs of expanding its sewer treatment plant to provide the capacity to meet the needs of the Development. To the extent the actual cost of the expansion of the sewer treatment plant exceeds the amount contained in the letter of credit together with the SPCEFs collected (and interest earnings thereon), the Developer agrees to post additional letters of credit or cash to cover its proportionate share of the additional costs of the expansion. To secure the Developer's commitment to fund these additional costs, the Developer agrees that beginning on the date the District imposes any SPCEFs, the District will not be obligated to remit same to the Developer until the District has adequate assurance that the additional funds are available. If the Developer fails to provide the additional funds called for by this paragraph, the District may utilize the SPCEFs it holds or receives to fund the additional requirements, in which case Developer shall not be entitled to recover those SPCEFs.

4. Water Capacity

A. Existing capacity. The District presently has an agreement with Palm Coast Utility Corporation (PCUC) under which it is entitled to purchase water capacity from PCUC for sale to District customers (the "PCUC Water Agreement"). As of the date of this Agreement, the District has purchased 200,000 gallons of water capacity to serve the existing Phase I development. The Developer is desirous of having the District expand the capacity of its water system in the future to enable the District to provide service to the Development.

B. Two year estimate of use; purchase of additional capacity. Under the present terms of the PCUC Water Agreement, in general, at specific points in time, the District looks 2 years ahead to determine the amount of additional water capacity it needs. The District will notify Developer ninety days prior to the time the District provides its 2-year estimate to PCUC. Developer agrees that no later than 45 days prior to the point in time that the District provides its 2-year estimate to PCUC, Developer will provide the District with a good faith estimate of the number of connections and amount of water capacity the Development will need in that 2 year period. The District Engineer shall review that information and determine the amount of water capacity needed to serve that portion of the Development in that time frame.

(i) Estimate of cost. The District Engineer shall review the calculation of costs of the water as provided by PCUC under the terms of the PCUC Water Agreement, and shall provide Developer with the total amount due to purchase the water capacity needed for that two year

period of time for the Development. The District Engineer shall present to the District Board its calculations of amount and cost of the water capacity needed by Developer. The District Board shall finally determine and authorize, in accordance with the PCUC Water Agreement and prevailing Florida statutes and rules, the purchase of additional water capacity for the Development, subject to receipt of adequate funds as provided below.

(ii) Developer request outside 2 year period; notice to District. Notwithstanding the time periods described above, if the Developer wishes to reserve water capacity for all or any portion of the Development, it shall provide a written request for same to the District. Such request shall include the amount of water capacity needed, the estimated number of ERCs to be served, the area to be served, and the time frame in which the water capacity is needed. Upon receipt of that request, the District Engineer shall review the request, and seek an estimate of cost from PCUC under the terms of the PCUC Water Agreement. After review of the necessary information, the District Engineer shall present to the District Board the calculation of the amount and cost of the water capacity sought by the Developer. The District Board shall finally determine and authorize, in accordance with the PCUC Water Agreement and prevailing Florida statutes and rules, the purchase of additional water capacity for the Development, subject to receipt of adequate funds as provided below. Developer agrees that it shall make requests of the District for water capacity purchases at least 6 months in advance of needing the capacity.

C. Developer to fund expansion. Developer agrees that once the District Board has authorized the purchase of water capacity for all or any portion of the Development, it shall make the total amount of funds needed to purchase that water capacity available to the District within 10 business days of written request for same.

D. District certification conditions. The District agrees that, subject to the Developer's payment of the amount due under paragraph C above, the District will, at the Developer's request, (i) make the certifications required to evidence that potable water capacity is available for the Development in order for the Developer to obtain the necessary permits from the various regulatory authorities with jurisdiction over the Development or construction of any improvements within the Development, and (ii) from time-to-time issue letters to such third parties as the Developer may identify, confirming that, subject to the Developer complying with its obligations under this Agreement, that potable water capacity is available for the Development.

E. Water System Capital Expansion Fee. The Developer and District agree that the payment of funds to secure the necessary water capacity for the Development shall mean that no Water System Capital Expansion Fee is necessary for the Development, and that existing connection fees designed to recover the costs of such capacity shall not be applied.

5. Effluent/Irrigation Water

A. Existing irrigation capabilities. The District presently has an agreement with PCUC to supply the District with effluent for irrigation, including certain "minimum take" provisions. In addition, the District has undertaken, subject to a funding agreement, to construct a test well for irrigation purposes. The District may, in its sole discretion, also seek to obtain irrigation water from "Ditch 10"; however, such use would require an additional permit which the District has not obtained. The District is also considering, in its pending rulemaking proceeding, the adoption of an irrigation conservation policy. The District intends to proceed in good faith to take those actions it deems reasonably necessary to provide sufficient effluent for irrigation, however, nothing herein shall guarantee that on any particular day or time, sufficient effluent or irrigation water shall be available. The District will use its best efforts to provide effluent or irrigation water under reasonable terms and conditions. References to "effluent/irrigation treatment plant capacity" shall include, but is not limited to, storage capacity or the development of irrigation water alternative systems.

B. Developer need for irrigation. The Developer is in need of effluent or irrigation water for irrigation for its residential properties and common areas, as well as the golf course. Developer has estimated that it needs 256,739 gallons per day to meet its residential and common area irrigation needs. This equates to approximately 302 EICs (Effluent Irrigation Connections). The Developer also estimates that its golf course will need approximately 651,163 gallons per day of irrigation water, which equates to 766 EICs. These estimates are based upon the application demands of one inch per week for residential/common areas and one and one half inches per week for the golf course. The Developer presently expects that the use of this irrigation water will occur over the next several years, subject to change due to a variety of factors, including market conditions, permitting and construction timetables. The residential and common area to be served is identified in Exhibit A.

(i) The Developer is in need of 70 EICs immediately (59,500 gallons per day) to irrigate common and residential areas. Developer presently has licensed to the District the facilities necessary to convey the effluent to the areas needing irrigation, and has under contract the transfer of effluent irrigation capacity from the developer of Phase I (ITT). Developer agrees that it will convey the necessary facilities to the District upon the request of the District (thus terminating the licensing agreement). Developer also agrees that it will continue to fund its pro rata share of the construction of the facilities necessary to expand the effluent/irrigation water system of the District, including the drilling of a well presently underway. Developer further agrees that within 10 business days of the execution of this Agreement, it will transfer the effluent capacity back to ITT. Because of the donation of the effluent facilities for capacity expansion, the District agrees that connection fees are inapplicable for this area and shall not be imposed. All applicable meter fees and monthly and commodity charges shall apply for this service.

(ii) The District and the Developer believe, based on the design and

consumption assumptions contained herein and the facilities currently under construction that are being funded by Developer, that the District will have sufficient storage and effluent/irrigation treatment plant capacity to accommodate Developer's need. This capacity includes the irrigation well presently under construction and permitting, as well as the expansion of the existing storage ponds. The Developer agrees that it will continue to fund its pro rata share of the construction of the facilities necessary to expand the effluent/irrigation water system of the District, including the drilling of a well presently underway. However, in the event consumption patterns within the Development, regulatory requirements, or other unforeseen circumstances arise necessitating additional capacity to serve the Development, Developer agrees that no less than 12 months prior to Developer's expected need for any additional effluent/irrigation demand for the Development, it will make a written request to the District for the provision of effluent/irrigation water.

(iii) Upon receipt of that request, the District Engineer shall review it, and make an estimate of the cost to meet the requested need. The District and the Developer agree to work in good faith to reach an agreement as to the facilities necessary to accommodate the expansion. After review of the necessary information, the District Engineer shall present to the District Board the description and calculation of the amount and cost of the expansion of the effluent/irrigation treatment plant capacity sought by the Developer. The District Board shall finally determine and authorize the amount, type and cost of the expansion of the effluent/irrigation treatment system, in accordance with the prevailing Florida statutes and rules, and subject to receipt of adequate funds as provided in paragraph 5C below.

C. Developer to advance funds for expansion. The Developer agrees to provide the District with sufficient funds to cover the cost of the expansion of any necessary effluent treatment plant capacity to enable effluent to be used for irrigation, including but not limited to additional storage capacity, or the expansion of an irrigation water alternative system, for the areas identified by the Developer, pursuant to a funding agreement with the District. The District shall not reimburse the Developer under the terms of that funding agreement for costs advanced. Rates, fees and charges applicable for service to areas where such facilities have been funded by the Developer shall be in accordance with the rules duly adopted by the District and in accordance with this Agreement.

6. Other Utility Facilities

A. Installation of facilities by Developer; dedication to District. Developer agrees to install, at its sole cost and expense, all other utility systems, facilities, plant and property necessary to provide service to the area being developed. This includes all collection and distribution facilities, lift stations, and subdivision lines, whether for water, sewer or effluent/irrigation. Developer agrees that it will, upon completion, dedicate such systems, facilities and plant to the District at no cost or expense to the District, together with any reasonably required easements, licenses or property interests.

B. District approval of Developer plans. Developer agrees that prior to the installation of any such utility facilities which may ultimately be dedicated to the District for the provision of utility service, it will submit to the District its plans for review and approval by the District Engineer. All such installations and review shall be in accordance with the District's rules.

7. Applicable District Rates, Fees and Charges

A. Inasmuch as new class or classes of customers served by the utility system expansion contemplated in this Agreement will either be paying the SPCEF, or receiving service through facilities that have been funded by the Developer, the District agrees that it is appropriate to review its existing rate structure to ensure that the application of all other existing rates, fees and charges are appropriate. The District Board hereby authorizes the drafting of specific rule language to be considered in its pending rulemaking proceeding to:

1. provide for the establishment of the Sewer Plant Capital Expansion Fee as necessary for the areas subject to this Agreement;

2. consider the elimination of existing connection fees for this new area as unrelated to the costs associated with the expansion;

3. consider a reduction in standby charges for this area to an amount necessary solely for the operation and maintenance of the District utility system as a whole, inasmuch as a portion of the existing standby charge appears to have been set to recover costs not associated with the expansion of the systems;

4. require that standby charges for an area within the Development be imposed upon the dedication of the lines and other facilities servicing this area to the District in accordance with the preceding paragraph 6;

5. provide that all meter fees shall be the same for all areas of the District, as those costs do not differ by expansion of the system;

6. provide that minimum monthly charges and commodity charges shall apply to all active connections;

7. revise, as necessary to accommodate permitting deadlines and encourage the timely, efficient and economical provision of service, existing rules regarding the review and approval of utility system expansion plans by the District and standards and conditions for interconnection of new facilities; and

8. set forth the District's utility expansion policy by rule such that future developers

wishing to have service in their areas can be reasonably informed of the District's intention with respect to the financing and provision of those services, including but not limited to any additional expansion necessary to serve Phase I.

9. such other revisions as may be necessary to carry out the intent of this Agreement.

B. The District agrees to proceed in good faith to consider and adopt rules to cover these matters in a timely manner. The Developer reserves all rights to participate in the District's rulemaking process.

8. Funding Agreements. Developer has currently entered into several agreements with the District to fund some portion of the work relating to the expansion of the District's utility system. These agreements are:

- Agreement dated October 14, 1996
- Agreement dated June 20, 1997
- Work Authorization No. 84 Funding Agreement dated September 23, 1997
- Funding Agreement for Engineering Report dated January 9, 1998
- 1998 Financing Team Funding Agreement dated January 9, 1998
- Master Funding Agreement dated October 9, 1998

Developer and the District agree that execution of this Agreement shall not serve to amend any of these agreements and these agreements shall remain in full force and effect. Additionally, Developer and District agree that all work authorized by the District relating to the issuance of bonds to pay for the expansion of the District's utility system (which bonds are now not anticipated to be issued), including work by the District's bond counsel, underwriter and financial advisor, shall be paid by Developer under this Agreement when invoiced by the District. Subsequent to the execution of this Agreement the District shall evaluate the work undertaken pursuant to each funding agreement to determine which has been completed and take all reasonable actions to terminate any agreements no longer needed within 30 days of the receipt of funds from the Developer pursuant to this Agreement.

9. Future Utility Expansions Notwithstanding any other provision of this Agreement, nothing herein shall in any way limit the District's ability to plan for and provide additional utility service within its boundaries, nor prevent it from entering into other agreements for the expansion of the utility system with other landowners or developers, provided that any such other agreements shall not materially adversely affect the District's ability to fulfill its obligations and duties under this Agreement, nor increase the capital costs to the Developer without the consent of the Developer. The District, in its sole discretion and consistent with then-existing Florida law and rules and sound engineering practice, shall determine the appropriate increment of utility system expansions needed

in the future. Nothing herein shall require the District to take any action in contravention of Florida law, including but not limited to the requirement to set just, equitable and uniform rates for users of the same class, and to meet the debt service on its outstanding bonds. Nothing herein shall prevent the District from taking all actions reasonably necessary to comply with applicable environmental rules, regulations, laws or enforcement actions relating to the operation of its utility system, and nothing herein shall limit the fair share obligation of the Developer or future customers, if any, for these changes or actions.

10. Tax Liability. The Developer agrees to indemnify the District from and make payment for any and all tax liability, ad valorem, personal property, intangibles or otherwise, which may be imposed upon the District or the Developer as a result of the Developer entering into this Agreement, whether such taxes are imposed upon the District's property or property interest, or Developer's property or property interest, or any other such tax. The Parties agree to provide notice to the other within ten (10) calendar days of receipt of any notice of potential or actual tax liability from a taxing authority. The Developer covenants to pay such taxes in a timely manner in accordance with Florida law. The Developer agrees to make payment directly to the taxing authority. In the event that the Developer fails to make timely payment of any such taxes, the Developer acknowledges the District's right to make such payment. If the District makes such payment, the Developer agrees to reimburse the District within seven (7) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District. The Parties reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax in good faith they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

11. No taxes or assessments. Nothing in this Agreement shall in any manner obligate or require the District to impose any taxes or assessments on any property within the District to finance or fund the costs of expansion of the water, sewer or effluent irrigation facilities.

12. Indemnification. The Developer agrees to indemnify and hold harmless the District and its officers, staff, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or claims of any nature, arising out of, or in connection with, this Utility Expansion Agreement, including litigation or any appellate proceedings with respect thereto; provided, however, that the Developer shall not indemnify the District for a default by the District under this Agreement.

13. Default. A default by the Developer under this Agreement shall entitle the District to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief and specific performance. A default by the District under this Agreement shall entitle the Developer to all remedies available at law or in equity, which may include, but not

be limited to, the right of damages, injunctive relief and specific performance.

14. Enforcement of Agreement. In the event that the District is required to enforce this Agreement by court proceedings or otherwise, then the Developer agrees that if the District is the prevailing party then the District shall be entitled to recover from the Developer all costs incurred, including reasonable attorneys' fees for trial, alternative dispute resolution, or appellate proceedings. In the event that the Developer is required to enforce this Agreement by court proceedings or otherwise, then the District agrees that if the Developer is the prevailing party then the Developer shall be entitled to recover from the District all costs incurred, including reasonable attorneys' fees for trial, alternative dispute resolution, or appellate proceedings.

15. Liability. Nothing in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability contained in section 768.28, Florida Statutes, or other statute.

16. Agreement. This instrument shall constitute the final and complete expression of this Agreement between the parties relating to the subject matter of this Agreement.

17. Amendments. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto.

18. Authorization. The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this instrument.

19. Notices. All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

A If to Developer: Lowe Ocean Hammock, Ltd.
 PO Box 354489
 Palm Coast, FL 32135
 Attention: Managing Director

 With a copy to: Igal Knobler, Esq.
 Greenberg Traurig
 111 N. Orange Avenue
 20th Floor
 Orlando, FL 32801

B. If to District: Dunes Community Development District
5000 Palm Coast Parkway
Palm Coast, Florida 32037
Attn: Gary Moyer

With a copy to: Hopping Green Sams & Smith, P.A.
123 South Calhoun Street
Post Office Box 6526
Tallahassee, Florida 32314
Attn: Cheryl Stuart

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address set forth herein. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the parties may deliver Notice on behalf of the parties. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

20. Third Party Beneficiaries. This Agreement is solely for the benefit of the Developer and District and their successors and assigns, as permitted hereunder, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any other person or legal entity. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any other person or legal entity other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof, and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.

21. Assignment. Except as otherwise provided herein, neither party may assign this Agreement or any monies to become due hereunder without the prior written approval of the other party, which approval shall not be unreasonably withheld, conditioned or delayed. Developer shall, have the right from time to time to assign or transfer utility capacity reserved by the Developer pursuant to this Agreement to any successor(s) in title to all or any portion of the lands comprising the Development; provided however that without the District's prior approval, which shall not be unreasonably withheld, conditioned, or delayed, such assignment or transfer shall not affect Developer's obligations or rights under this Agreement to finance capacity expansions, including but not limited to the posting of letters of credit or funding water or effluent or irrigation expansions.

22. Controlling Law. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida.

23. Negotiation at Arms Length. This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party

24. Effective Date. The Agreement shall be effective after execution by both parties hereto.

25. Public Records. The Developer understands and agrees that all documents of any kind provided to the District or to District Staff in connection with the activities contemplated under this Agreement are public records and are treated as such in accordance with Florida law.

26. Severability. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

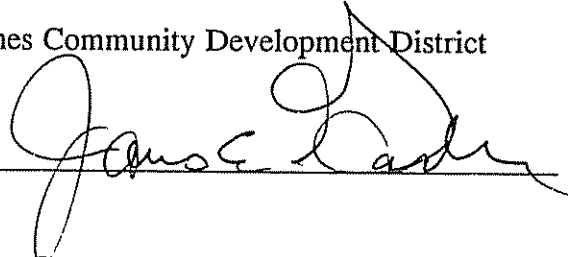
In Witness whereof, this Agreement has been entered into as of this ____ day of February, 1999.

Attest:



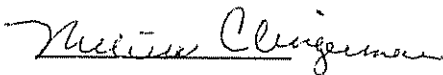
Dunes Community Development District

By:




Lowe Ocean Hammock, Ltd., a Florida limited partnership
By: Lowe/Ocean Hammock, Inc., a Florida corporation,
General Partner

Attest:

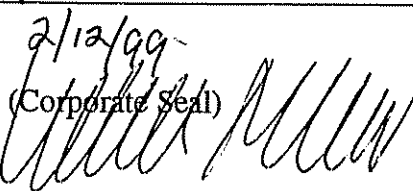


By:



Its: UP

By:

2/12/99-
(Corporate Seal)


IB: VICE PRESIDENT

2/12/99
-- 16 --

**DUNES COMMUNITY
DEVELOPMENT DISTRICT**

5000 Palm Coast Parkway
Palm Coast, FL 32137
(904) 445-9045
(904) 445-9043 Facsimile

February 17, 1999

Robert DeVore
Lowe Ocean Hammock, LTD.
PO Box 354489
Palm Coast, FL 32135

INVOICE FOR PHASE 1A UTILITY EXPANSIONS

As stipulated in the Utility Expansion Agreement between Lowe Ocean Hammock, LTD. and the Dunes Community Development District, please forward payment as described below and on the attached schedules (Table 1 and Table 2) to the District at the above address. In order to issue notice to proceed with the construction contracts currently in place, payment is requested within 10 days.

Total costs per Committed Cost Schedule (Table 1)	\$2,482,245.00
Less: Credit per Spent to Date Schedule (Table 2)	<u>\$ 956,400.00</u>
Balance Due	<u>\$1,525,845.00</u>

Table 1

Dunes CDD Phase 1A Improvements: Committed Cost Schedule



Item No.	Work Item Description	Work Authorization #	Cost Distribution					
			Low	Northshore	Total	Dunes CDD	Hammock Dunes G.C.	Total Cost
1	Wastewater Treatment Facility Expansion (Phase 1A) - Design	84	\$104,500	\$104,500	\$209,000			\$209,000
2	Wastewater Treatment Facility Expansion (Phase 1A) - Bidding	87	\$3,961	\$3,961	\$7,922			\$7,922
3	Wastewater Treatment Facility Expansion (Phase 1A) - Construction		\$894,500	\$894,500	\$1,789,000			\$1,789,000
4	Wastewater Treatment Facility Expansion (Phase 1A) - Construction Administration/Inspection		\$86,900	\$86,900	\$173,800			\$173,800
5	Pond 3 Expansion		\$475,597	\$51,582	\$527,179			\$527,179
6	Pond 3 Expansion - Design and Construction Administration	82	\$51,186	\$5,551	\$56,737	\$16,030	\$4,690	\$77,457
7	Pond 4		\$225,000	\$225,000	\$450,000			\$450,000
8	Pond 4, Reclaimed Strainer, OHGCPS - Design and Construction Administration	90	\$53,890	\$25,527	\$79,417	\$5,673		\$85,090
9	Ocean Hammock Golf Course Pump Station		\$250,000		\$250,000			\$250,000
10	Ground Water Test Wells - Planning/Hydrogeotechnical	88	\$8,967	\$8,968	\$17,935			\$17,935
	Ground Water Test Wells - Design/Construction Administration	91	\$7,962	\$7,963	\$15,925			\$15,925
12	Ground Water Test Wells - Construction		\$25,881	\$25,882	\$51,763			\$51,763
13	Ground Water Test Wells - Design and Construct (treatment/transmission)		\$40,000	\$40,000	\$80,000			\$80,000
14	Ground Water Test Wells - Consumptive Use Permit	93	\$10,232	\$10,233	\$20,465			\$20,465
15	Permitting (WWTP Phase 1A)		\$2,500	\$2,500	\$5,000			\$5,000
16	Legal and Administration		\$10,000	\$10,000	\$20,000			\$20,000
17	Engineering Reports		\$29,006	\$18,128	\$47,134			\$47,134
18	Financing		\$47,500	\$47,500	\$95,000			\$95,000
	Subtotal		\$2,327,585	\$1,568,693	\$3,896,278	\$21,703	\$4,690	\$3,922,670
	Contingency (for WWTF expansion, contingency projected to be 8.65%)	15%	\$154,660	\$117,160	\$271,819			\$271,819
	Subtotal		\$2,482,245	\$1,685,852	\$4,168,097	\$21,703	\$4,690	\$4,194,490
19	Hammock Dunes Golf Course Pump Station						\$115,000	\$115,000
20	Reclaimed Water Strainer					\$50,000		\$50,000
21	Chlorine Injection (In-situ transmission)					\$10,000		\$10,000
	Total		\$2,482,245	\$1,685,852	\$4,168,097	\$81,703	\$119,690	\$4,369,490

Table 2

Dunes CDD Phase 1A Improvements: Spent to Date Schedule

Item No.	Work Item Description	Work Authorization #	Spent To Date			Dunes CDD	Hammock Dunes G.C.	Total Cost
			Lowe	Northshore	Total			
1	Wastewater Treatment Facility Expansion (Phase 1A) - Design	84	\$209,000		\$209,000			\$209,000
2	Wastewater Treatment Facility Expansion (Phase 1A) - Bidding	87	\$7,922		\$7,922			\$7,922
3	Wastewater Treatment Facility Expansion (Phase 1A) - Construction							
4	Wastewater Treatment Facility Expansion (Phase 1A) - Construction Administration/Inspection							
5	Pond 3 Expansion		\$527,179		\$527,179			\$527,179
6	Pond 3 Expansion - Design and Construction Administration	82	\$56,737		\$56,737	\$16,030	\$4,690	\$77,457
7	Pond 4							
8	Pond 4, Reclaimed Strainer. OHGCPS - Design and Construction Administration	90	\$14,286		\$14,286			\$14,286
9	Ocean Hammock Golf Course Pump Station							
	Ground Water Test Wells - Planning/Hydrogeotechnical	88	\$12,679		\$12,679			\$12,679
11	Ground Water Test Wells - Design/Construction Administration	91	\$1,049		\$1,049			\$1,049
12	Ground Water Test Wells - Construction		\$14,116		\$14,116			\$14,116
13	Ground Water Test Wells - Design and Construct (treatment/transmission)							
14	Ground Water Test Wells - Consumptive Use Permit	93						
15	Permitting (WWTP Phase 1A)		\$5,000		\$5,000			\$5,000
16	Legal and Administration							
17	Engineering Reports	83 and 85	\$47,134		\$47,134			\$47,134
18	Financing		\$61,300		\$61,300			\$61,300
	Subtotal		\$956,400		\$956,400	\$16,030	\$4,690	\$977,120
19	Hammock Dunes Golf Course Pump Station	86						
20	Reclaimed Water Strainer							
21	Chlorine Injection (In-situ transmission)							
	Total		\$956,400		\$956,400	\$16,030	\$4,690	\$977,120

EXHIBIT "A"LEGAL DESCRIPTIONDEVELOPMENT AREA B

TWO PARCELS OF LAND BEING PORTIONS OF GOVERNMENT SECTIONS 28, 33 AND 40, TOWNSHIP 10 SOUTH, RANGE 31 EAST, FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1:

COMMENCING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF HOTEL TRACE AND THE EAST RIGHT-OF-WAY LINE OF OCEAN WAY AS SHOWN ON THE SUBDIVISION PLAT OF "OCEAN RIDGE" AS RECORDED IN MAP BOOK 30, PAGE 91 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 350.00 FEET, AN ARC LENGTH OF 53.12 FEET, A CENTRAL ANGLE OF 08°41'47" AND A CHORD BEARING S89°54'58"W, 53.07 FEET TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE N06°29'01"E A DISTANCE OF 298.21 FEET TO THE POINT OF BEGINNING; THENCE N83°30'59"W A DISTANCE OF 14.55 FEET TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 145.00 FEET, AN ARC LENGTH OF 68.90 FEET, AND A CENTRAL ANGLE OF 27°13'28"; THENCE N56°17'30"W A DISTANCE OF 206.21 FEET; THENCE S28°02'20"W A DISTANCE OF 22.27 FEET; THENCE N61°57'40"W A DISTANCE OF 218.72 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC LENGTH OF 67.83 FEET AND A CENTRAL ANGLE OF 22°12'31"; THENCE N84°10'12"W A DISTANCE OF 475.71 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 80.00 FEET, AN ARC LENGTH OF 99.62 FEET AND A CENTRAL ANGLE OF 71°20'54"; THENCE N12°49'17"W A DISTANCE OF 553.07 FEET; THENCE N11°00'23"W A DISTANCE OF 546.01 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 210.79 FEET, AN ARC LENGTH OF 31.44 FEET AND A CENTRAL ANGLE OF 08°32'49"; THENCE N05°52'32"W A DISTANCE OF 897.85 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 310.00 FEET, AN ARC LENGTH OF 136.21 FEET, A CENTRAL ANGLE OF 25°10'29" AND A CHORD BEARING S86°09'56"W, 135.11 FEET TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE S07°39'51"W A DISTANCE OF 903.20 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC LENGTH OF 57.03 FEET AND A CENTRAL ANGLE OF 18°40'13"; THENCE S11°00'23"E A DISTANCE OF 579.55 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 664.19 FEET, AN ARC LENGTH OF 5.54 FEET AND A CENTRAL ANGLE OF 00°28'41"; THENCE S12°49'17"E A DISTANCE OF 449.78 FEET; THENCE S14°22'18"E A DISTANCE OF 162.97 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 660.00 FEET, AN ARC LENGTH OF 68.59 FEET AND A CENTRAL ANGLE OF 5°57'15" TO A NON TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE S69°48'30"E A DISTANCE OF 761.97 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 126.19 FEET, AN ARC LENGTH OF 23.96 FEET AND A CENTRAL ANGLE OF 10°52'50" TO A POINT; THENCE S61°56'27"E A DISTANCE OF 361.25 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 749.99 FEET, AN ARC LENGTH OF 370.26 FEET AND A CENTRAL ANGLE OF 28°17'10" TO A POINT; THENCE S71°16'17"W A DISTANCE OF 418.05 FEET; THENCE S70°10'00"W A DISTANCE OF 115.00 FEET; THENCE N19°50'00"W A DISTANCE OF 595.60 FEET TO A NON TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 580.00 FEET, AN ARC LENGTH OF 373.49 FEET AND A CENTRAL ANGLE OF 36°53'45" TO A POINT; THENCE N76°44'07"W A DISTANCE OF 319.07 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 824.75 FEET, AN ARC LENGTH OF 1577.76 FEET AND A

CENTRAL ANGLE OF 109°36'27" TO A POINT; THENCE N32°52'20"E A DISTANCE OF 208.58 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 1140.00 FEET, AN ARC LENGTH OF 1048.67 FEET AND A CENTRAL ANGLE OF 52°42'20" TO A POINT; THENCE N19°50'00"W A DISTANCE OF 863.12 FEET; THENCE N71°10'52"E A DISTANCE OF 80.01 FEET; THENCE S19°50'00"E A DISTANCE OF 861.70 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 1220.00 FEET, AN ARC LENGTH OF 371.50 FEET AND A CENTRAL ANGLE OF 17°26'49" TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE N88°22'11"E ALONG SAID NON-TANGENT LINE A DISTANCE OF 230.67 FEET; THENCE N44°39'18"E A DISTANCE OF 27.61 FEET; THENCE N44°39'55"E A DISTANCE OF 452.25 FEET; THENCE S77°31'49"E A DISTANCE OF 215.00 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.87 FEET, AN ARC LENGTH OF 112.47 FEET AND A CENTRAL ANGLE OF 36°38'23"; THENCE N65°44'11"E A DISTANCE OF 411.46 FEET; THENCE S30°16'18"E A DISTANCE OF 317.08 FEET; THENCE S20°01'47"W A DISTANCE OF 140.89 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 240.17 FEET, AN ARC LENGTH OF 160.12 FEET AND A CENTRAL ANGLE OF 38°12'00" TO A NON-TANGENT LINE; THENCE ALONG SAID NON-TANGENT LINE S08°02'09"E A DISTANCE OF 205.04 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 215.04 FEET, AN ARC LENGTH OF 117.41 FEET, A CENTRAL ANGLE OF 31°17'00" AND A CHORD BEARING S55°40'21"E, 115.96 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 70.00 FEET, AN ARC LENGTH OF 63.80 FEET AND A CENTRAL ANGLE OF 52°13'10"; THENCE N87°45'05"E A DISTANCE OF 94.89 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 70.00 FEET, AN ARC LENGTH OF 29.81 FEET AND A CENTRAL ANGLE OF 24°23'45" TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 210.00 FEET, AN ARC LENGTH OF 308.08 FEET AND A CENTRAL ANGLE OF 84°03'24" TO A NON-TANGENT CURVE; THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET, AN ARC LENGTH OF 59.98 FEET, A CENTRAL ANGLE OF 45°49'25" AND A CHORD BEARING S05°26'29"W, 58.40 FEET TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 180.00 FEET, AN ARC LENGTH OF 304.10 FEET AND A CENTRAL ANGLE OF 96°47'51" TO A POINT OF REVERSE CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC LENGTH OF 223.96 FEET AND A CENTRAL ANGLE OF 73°19'34"; THENCE S05°41'24"W A DISTANCE OF 534.00 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 175.00 FEET, AN ARC LENGTH OF 90.31 FEET AND A CENTRAL ANGLE OF 29°34'10"; THENCE S23°45'24"E A DISTANCE OF 793.35 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET, AN ARC LENGTH OF 65.11 FEET AND A CENTRAL ANGLE OF 49°44'28"; THENCE S61°57'40"E A DISTANCE OF 235.92 FEET TO A NON-TANGENT CURVE; THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 370.00 FEET, AN ARC LENGTH OF 66.26 FEET, A CENTRAL ANGLE OF 10°15'39" AND A CHORD BEARING S01°21'12"W, 66.17 FEET; THENCE S06°29'01"W A DISTANCE OF 22.60 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

TOGETHER WITH PARCEL 2

COMMENCING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF HOTEL TRACE AND THE EAST RIGHT-OF-WAY LINE OF OCEAN WAY AS SHOWN ON THE SUBDIVISION PLAT OF "OCEAN RIDGE" AS RECORDED IN MAP BOOK 30, PAGE 91 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE S03°30'58"E ALONG SAID EAST RIGHT-OF-WAY LINE OF OCEAN WAY A DISTANCE OF 83.81 FEET; THENCE DEPARTING SAID EAST RIGHT-OF-WAY LINE N06°29'01"E A DISTANCE OF 203.79 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N06°29'01"E A DISTANCE OF 152.21 FEET TO A POINT OF CURVATURE; THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 430.00 FEET, AN ARC LENGTH OF 162.22 FEET AND A CENTRAL ANGLE OF 21°36'55" TO A NON-TANGENT LINE; THENCE DEPARTING SAID CURVE ALONG SAID NON-TANGENT LINE S84°16'49"E A DISTANCE OF 401.90 FEET; THENCE S62°34'35"E A DISTANCE OF 449.74 FEET; THENCE S47°40'04"E A DISTANCE OF 320.13 FEET; THENCE S48°04'09"E A DISTANCE OF 73.56 FEET TO A POINT ON THE BOUNDARY OF "OCEAN RIDGE" AS RECORDED IN MAP BOOK 30, PAGE 91, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE ALONG SAID BOUNDARY LINE THE FOLLOWING FIVE COURSES AND DISTANCES; (1) S36°22'06"E, 47.12 FEET; (2) S00°52'55"E, 118.25 FEET; (3) S13°37'08"E, 103.46 FEET; (4) S17°17'06"E, 86.03 FEET; (5) S08°22'43"W, 55.14 FEET; THENCE DEPARTING SAID BOUNDARY LINE OF "OCEAN RIDGE" S81°32'22"W A DISTANCE OF 87.65 FEET; THENCE N47°40'04"W A DISTANCE OF 614.98 FEET; THENCE N62°34'35"W A DISTANCE OF 348.14 FEET; THENCE N84°16'49"W A DISTANCE OF 318.40 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

TOGETHER WITH PARCEL 3

A parcel of land lying in Section 33, Township 10 South, Range 31 East, Flagler County, Florida, and being more particularly described as follows:

As a point of reference, commence at the Northwest corner of said Section 33, run along the North line of said Section, N 70°09'59" E, 945.64 feet; thence S 19°50'01" E, 2728.47 feet; thence N 70°09'59" E, 696.38 feet to the Point of Beginning; thence S 82°32'30" E, 118.03 feet; thence S 62°31'32" E, 122.75 feet; thence S 82°32'56" W, 137.74 feet to a point on a non-tangent curve to the right, having a radius of 430.00 feet, a central angle of 32°00'07", a chord of 237.06 feet and a chord bearing of S 14°46'30" W; thence run southerly along said curve 240.17 feet; thence N 84°18'54" W, 90.78 feet to a point on a non-tangent curve to the left, having a radius of 349.39 feet, a central angle of 44°06'08", a chord of 262.35 feet, and a chord bearing of N 15°05'53" E; thence run northerly along said curve 268.94 feet to a point of compound curvature of a curve to the left, having a radius of 1091.70 feet, a central angle of 02°49'01", a chord of 53.67 feet, and a chord bearing of N 07°41'03" W; thence run northerly along said curve 53.67 feet to the Point of Beginning.

**UTILITY EXPANSION AGREEMENT BY AND BETWEEN THE DUNES
COMMUNITY DEVELOPMENT DISTRICT AND H.D. ASSOCIATES, L.P.**

THIS AGREEMENT is made and entered into this 16 day of October, 2002, by and between:

The Dunes Community Development District, a local unit of special-purpose government established and existing pursuant to Chapter 190, Florida Statutes, being situated in Flagler County, Florida, and having offices at 5000 Palm Coast Parkway, Palm Coast, Florida 32037, Facsimile number (386) 445-7899 (the "District"), and

H.D. Associates, L.P., a developer of certain lands within the District (the "Developer")

RECITALS

WHEREAS, the District was established by a rule of the Florida Land and Water Adjudicatory Commission in October, 1985, in accordance with Chapter 190, Florida Statutes, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure improvements and facilities, including potable water, wastewater (or sewer), and reuse/effluent irrigation facilities (the "Utility System"); and

WHEREAS, the District currently owns, operates, and maintains the Utility System which provides service to properties within the boundaries of the District; and

WHEREAS, the Developer requires assurances that potable water, wastewater (or sewer), and reuse/effluent irrigation services are available to the properties the Developer intends to acquire and develop within the District; and

WHEREAS, on September 25, 1998, the District Board of Supervisors (the "Board") authorized a utility expansion policy to generally outline the responsibilities for the expansion of the Utility System in areas within the District not presently served by the District; and

WHEREAS, the District and the Developer are entering into this Agreement to further refine and clarify the District's general policy and their respective undertakings with respect to expanding the Utility System to service specific areas of land within the District; and

WHEREAS, the District and the Developer desire to ensure the timely, efficient, and economical expansion of the District's Utility System to ensure the provision of water, sewer, and effluent irrigation to the existing and future residents and landowners of the District.

NOW therefore, based upon good and valuable consideration and the mutual covenants of the District and the Developer (collectively, the "Parties"), the receipt of which and sufficiency of which are acknowledged by this Agreement, the Parties agree as follows:

1. RECITALS AND SCOPE OF AGREEMENT. The recitals stated above are true and correct and by this reference are incorporated as a material part of this Agreement. The District

and the Developer agree that this Agreement provides the process by which the Developer shall make requests for utility services (water, wastewater or sewer, and effluent/irrigation) to serve the Development, as such term is defined by this Agreement, subject to all applicable provisions of Florida law and the duly adopted rules of the District. Future increments of sewer treatment plant capacity will be requested in accordance with the provisions of this Agreement.

2. DEFINITIONS.

- A. "Capital Expansion Fee" shall be as defined in Article I of the Second Supplemental Trust Indenture by and between the District and the Trustee dated December 1, 1988, as amended and supplemented by a First Amendment to the Second Supplemental Trust Indenture dated August 1, 1992 for the District's Revenue Refunding Bonds (Water and Sewer Project) Series 1992 (the "Second Supplemental Indenture").
- B. "Capital Expansion Fee Fund" shall be that fund provided for in the Second Supplemental Indenture.
- C. "Trustee" shall be that Trustee designated by the District in accordance with and pursuant to the Second Supplemental Indenture.
- D. "Bonds" shall mean the obligations of the District authorized to be issued pursuant to Sections 2.01, 3.02 and 3.03 of the Second Supplemental Indenture.
- E. "Cost" or "cost" shall include the items specified in s. 190.003(7), Florida Statutes.
- F. "Development" shall mean those lands within the District commonly referred to as Phase I, which includes lands south of Jungle Hut Road, and East of AIA and Island Estates.
- G. All other terms used in this Agreement not specifically defined shall have the meaning ascribed in the Second Supplemental Indenture or Chapter 190, Florida Statutes. To the extent of a conflict, the term shall be given the meaning consistent with the intent of this Agreement.

3. SEWER CAPACITY.

- A. **Existing Facilities.** The District has an existing 500,000 (five hundred thousand) gallon per day ("gpd") sewer treatment plant, of which 250,000 (two hundred fifty thousand) gpd is providing sewer service to or has been reserved for use by existing portions of Phase I of the District. However, the sewer treatment plant is not fully utilized at this time, i.e., flows into the plant are less than the permitted capacity. The 250,000 (two hundred fifty thousand) gpd reserved for Phase I has a design capacity capable of

serving 1,056 (one thousand fifty-six) Equivalent Residential Connections ("ERCs") based upon a 236 (two hundred thirty-six) gpd per unit flow (225 (two hundred twenty-five) gpd plus a five percent (5%) inflow/infiltration allowance).

B. Developer Requirements in Excess of 250,000 gpd. If the Developer requires sewer treatment plant capacity in excess of the currently reserved 250,000 (two hundred fifty thousand) gpd, such excess capacity requirement shall be provided for as follows:

- (1) The Developer may be able to secure additional sewer treatment plant capacity from Northshore G.P., L.L.C. who have excess capacity reserved within the District's system. Upon request of the Developer for excess sewer treatment plant capacity, the District shall make reasonable inquiries of other development entities regarding the availability of excess sewer treatment plant capacity. If another development entity informs the District that it has excess sewer treatment plant capacity and is willing to transfer that capacity to Developer, the District shall determine the transfer cost of that sewer treatment plant capacity on a per ERC basis. The District shall bill the Developer, and the Developer agrees to reimburse the District, for that transfer cost on a per ERC basis. The Parties agree that such transfer shall be memorialized in a separate agreement entered into among the Developer, the District and the transferring party.
- (2) If the District is unable to negotiate a transfer of sufficient excess capacity from other development entities, the District shall so notify the Developer. Then, if requested by the Developer, the District shall determine the cost for incremental capacity expansion of the District's sewer treatment plant necessary to fulfill the Developer's capacity requirements, in accordance with this Agreement, and so notify the Developer.

C. District certifications; conditions. The District agrees that, subject to (1) the Developer delivering one or more letters of credit in a form and in amounts as may be required from time to time by this Agreement; or (2) the receipt of sufficient funds from the Developer under the terms of this Agreement; and (3) subject to the provisions of Paragraph (3)(D)(2) of this Agreement, as it applies to requests for sewer treatment capacity, the District will, at the Developer's request, (i) make the certifications required to evidence that sewer treatment plant capacity is available for the Development in order for the Developer to obtain the necessary permits from the various regulatory authorities with jurisdiction over the Development or construction of any improvements within the Development, and (ii) from time-to-time issue letters to such third parties

as the Developer may identify, confirming that, subject to the Developer complying with its obligations under this Agreement, sewer treatment plant capacity is available for the Development. Issuance of such letters is subject to the requirements of law in all cases and in no event shall this Agreement require the District to issue any letter when doing so would cause the District to fail to comply with any local, state or federal law or other regulation.

D. Determination of cost of capacity. The provisions of the following Paragraphs (3)(D) through (3)(I) shall apply to any request for sewer treatment plant capacity. The District, in its sole discretion, in accordance with its applicable rules and regulations, the laws of the State of Florida and the following procedures will determine the cost of the expansion of the sewer treatment plant required from time to time to meet Developer's sewer treatment plant capacity requirements for the Development.

- (1) **Definition.** The term "sewer treatment plant" shall mean all systems, facilities, or property useful or necessary to treat, purify, or dispose of sewage which can be permitted under Florida law. The term "sewer treatment plant" does not include collection lines, force mains, lift stations, or laterals. To the extent a system, facility, or property could be characterized as either a portion of the sewer treatment plant or the effluent/irrigation system, the District shall, in its sole discretion, determine to which system those facilities and its costs are reasonably, justly, and equitably allocated
- (2) **Developer requests.** As to the Developer's requests for evidence of sewer treatment plant capacity pursuant to Paragraph (3)(C), the Developer acknowledges that such requests may occur at a time when the actual usage of the sewer treatment plant's then-existing capacity as determined by the District Engineer may be so high that the District Engineer may advise the District that issuance of the certifications and/or letters described in Paragraph (3)(C) should be delayed. In the event the District accepts the District Engineer's determination that there should be a delay, the District shall reevaluate the basis for the delay on a quarterly basis and seek to eliminate the delay as quickly as possible. In the event of such delay, the Developer shall have the election to either withdraw its request for sewer treatment plant capacity or continue with the request and post the requisite letter of credit to cover the cost of the requested sewer treatment plant capacity as determined in this Agreement.
- (3) **Calculation of cost; amount of letter of credit.** The District Engineer shall prepare a report to the Board which sets forth a

good faith estimated cost of the expansion of the sewer treatment plant. The Board shall take final action to review, amend if necessary, and approve the estimated cost of the sewer treatment plant expansion and determine the amount of the letter of credit, which shall not exceed 110% of the cost as determined by the Board. The letter of credit shall be from a National Bank, subject to the District's approval as to the form of the letter and the bank on which it is drawn, which approval shall not be unreasonably withheld, conditioned, or delayed. The letter of credit shall be delivered to the District within 10 business days of the Board's determination of the amount to be posted. Cash may be posted with the District in lieu of a letter of credit, and any and all references in this Agreement to letters of credit shall include cash balances posted with the District by the Developer in lieu of letters of credit.

- E. District right to draw on letter of credit.** The District shall be entitled to draw on a letter of credit when it is necessary to commence work on the expansion of the sewer treatment plant for which a letter of credit has been posted, which activities include study, permitting, design, and engineering. The District's activities to expand its sewer treatment plant shall be done in accordance with then-existing permit conditions, Florida statutes, Florida Department of Environmental Protection rules, and applicable regulations of other governmental regulatory bodies with jurisdiction. The proceeds of all funds drawn on the Developer's letter(s) of credit will be deposited in the Capital Expansion Fee Fund.
- F. District right to draw on letter of credit.** If, at the time any of the Developer's letters of credit are delivered to and accepted by the District, the District and the Developer are unable to agree on a schedule of periodic draws against such letter of credit, the District will have the right to draw up to 100% of such letter of credit at such time as the activities necessary for the expansion of the sewer treatment plant have commenced.
- G. Costs of expansion less than funds advanced.** If, at the time of the completion of the requested sewer treatment plant expansion, the costs of the expansion are less than the aggregate amount of the letters of credit or cash delivered by the Developer to the District for that expansion, the excess letters of credit amounts or funds shall be remitted to the Developer (whether in cash due to a draw on a letter of credit, cash deposits, or in the form of a release of the remainder of a letter of credit).
- H. Actual cost of expansion exceeds initial letter of credit amount; security for commitment to provide additional funds.** The Developer agrees and understands that its obligation to post letters of credit is based on the District's good faith estimate of the costs of expanding its sewer

treatment plant to provide the capacity to meet the needs of the Development. To the extent the actual cost of the expansion of the sewer treatment plant exceeds the amount contained in the letter of credit, the Developer agrees to post additional letters of credit or cash to cover its proportionate share of the additional costs of the expansion. The District may utilize any and all other means available at law or in equity to recover any shortfall and nothing in this Agreement is intended to limit the District's remedies.

4. Water Capacity. The Developer is desirous of having the District expand the capacity of its water system in the future to enable the District to provide service to the Development.

- A. Water Capacity Purchased From District's Supply Source.** Should the District develop its own source of supply of potable water, and said water capacity can be purchased by the Developer at a cost equal to or less than that provided under the terms of the Water Capacity Purchase Agreement between the District and the Palm Coast Utility Corporation dated April 8, 1988 (the "PCUC Agreement"), the Developer shall purchase such capacity from the District. The provisions of this Agreement for determining water capacity requirements, Developer funding of required water capacity, and the District's certification of available water capacity as stated in Sections 4B., 4C., 4D., and 4E. will govern the purchase of all such water capacity. The District will establish a Water System Capital Expansion Fund with the Trustee to hold all funds collected for water capacity purchases. Should the District determine that it is not feasible to proceed with development of its own source of supply of potable water, the District will execute the necessary water capacity purchases pursuant to the terms of its agreement with Palm Coast Utility Corporation (PCUC) under which the District is entitled to purchase water capacity from PCUC for sale to District customers. Should the District establish its own source of supply of potable water that can be purchased by Developer at a cost equal to or less than that provided by the terms of the PCUC Agreement, funds held by the Trustee for water capacity shall be paid to the District under the terms of this Section. Any reduction in the water capacity purchase cost resulting from the District establishing its own source of supply shall result in a correlative reduced cost to the Developer. As stated in Section 4.F. herein, existing connection fees designed to recover the cost of water capacity shall not be applied to the Development.
- B. Water Capacity Purchased from Other Supply Source.** Under the terms of the PCUC Agreement, the District is entitled to purchase water capacity from PCUC for sale to District customers. As of the date of this Agreement, the District has purchased 494,116 gallons of water capacity to serve the existing Phase I and Phase II developments under the PCUC

Agreement. In addition, different Developers in the District have funded 157,343 gallons of capacity. These funds are being held by the District for future water capacity purchase or supply. The total water capacity reserved for Phase I is 230,318 gallons.

- C. Two year estimate of use; purchase of additional capacity.** The District looks 2 years ahead to determine the amount of additional water capacity it needs. The District will notify Developer ninety days prior to the time the District establishes the 2-year estimate for its own use or ninety days prior to the time the District provides the 2-year estimate to PCUC. Developer agrees that no later than 45 days prior to the point in time that the District determines its 2-year estimate, Developer will provide the District with a good faith estimate of the number of connections and amount of water capacity the Development will need in that 2 year period. The District Engineer shall review that information and determine the amount of water capacity needed to serve that portion of the Development in that time frame.
- (i) **Estimate of cost.** The District Engineer shall review the calculation of costs of the water either as provided by the District or as provided by PCUC under the terms of the PCUC Agreement, and shall provide Developer with the total amount due to purchase the water capacity needed for that two year period of time for the Development. The District Engineer shall present to the District Board its calculations of amount and cost of the water capacity needed by Developer. The District Board shall finally determine and authorize, in accordance with the prevailing Florida statutes and rules, the purchase of additional water capacity for the Development, subject to receipt of adequate funds as provided below.
- (ii) **Developer request outside 2 year period; notice to District.** Notwithstanding the time periods described above, if the Developer wishes to reserve water capacity for all or any portion of the Development, it shall provide a written request for same to the District. Such request shall include the amount of water capacity needed, the estimated number of ERCs to be served, the area to be served, and the time frame in which the water capacity is needed. Upon receipt of that request, the District Engineer shall review the request, and either provide an estimate of cost from the District or seek an estimate of cost from PCUC under the terms of the PCUC Agreement. After review of the necessary information, the District Engineer shall present to the District Board the calculation of the amount and cost of the water capacity sought by the Developer. The District Board shall finally determine and authorize, in accordance with prevailing Florida statutes and rules,

the purchase of additional water capacity for the Development, subject to receipt of adequate funds as provided below. Developer agrees that it shall make requests of the District for water capacity purchases at least 6 months in advance of needing the capacity.

- D. Developer to fund expansion.** Developer agrees that once the District Board has authorized the purchase of water capacity for all or any portion of the Development, it shall make the total amount of funds needed to purchase that water capacity available to the District within 10 business days of written request for same.
- E. District certification conditions.** The District agrees that, subject to the Developer's payment of the amount due under paragraph D above, the District will, at the Developer's request, (i) make the certifications required to evidence that potable water capacity is available for the Development in order for the Developer to obtain the necessary permits from the various regulatory authorities with jurisdiction over the Development or construction of any improvements within the Development, and (ii) from time-to-time issue letters to such third parties as the Developer may identify, confirming that, subject to the Developer complying with its obligations under this Agreement, that potable water capacity is available for the Development.
- F. Water System Capital Expansion Fee.** The Developer and District agree that the payment of funds to secure the necessary water capacity for the Development shall mean that no Water System Capital Expansion Fee is necessary for the Development, and that the existing connection fees designed to recover the costs of such capacity will not be applied to the Development.

5. EFFLUENT/IRRIGATION WATER.

- A. Existing irrigation capabilities.** The District presently has an agreement with Florida Water to supply the District with effluent for irrigation, including certain "minimum take" provisions. In addition, the District has undertaken other activities, projects, and District works to provide sufficient effluent for irrigation; however, nothing in this Agreement shall guarantee that on any particular day or time, sufficient effluent or irrigation water shall be available. The District will use its best efforts to provide effluent or irrigation water under reasonable terms and conditions. References to "effluent/irrigation treatment plant capacity" shall include, but not be limited to, storage capacity or the development of irrigation water alternative systems.
- B. Existing reserved Phase I capacity.** Presently, the District has 1,600,000 (one million six hundred thousand) gpd irrigation effluent capacity

reserved for Phase I. The 1,600,000 (one million six hundred thousand) gpd reserve has a design capacity of 1,881 (one thousand eight hundred eighty-one) Equivalent Irrigation Connections ("EICs") based upon an 850 (eight hundred fifty) gpd flow per EIC. This reserved effluent irrigation capacity has been further allocated as 707 (seven hundred seven) EICs for golf course irrigation and 1,174 (one thousand one hundred seventy-four) EICs for residential and common areas.

- (1) The District and the Developer believe, based on the design and consumption assumptions contained in this Agreement and the capacity currently in place and reserved for the Development, that the District will have sufficient storage and effluent/irrigation treatment plant capacity to accommodate Developer's need. However, in the event consumption patterns within the Development, regulatory requirements, or other unforeseen circumstances arise necessitating additional capacity to serve the Development, the Developer agrees that no less than twelve (12) months prior to Developer's expected need for any additional effluent/irrigation demand for the Development, it will make a written request to the District for the provision of effluent/irrigation water.
- (2) Upon receipt of a request for additional effluent irrigation water, the District Engineer shall review it, and make an estimate of the cost to meet the requested need. The District and the Developer agree to work in good faith to reach an agreement as to the facilities necessary to accommodate the expansion. After review of the necessary information, the District Engineer shall present to the District Board the description and calculation of the amount and cost of the expansion of the effluent/irrigation treatment plant capacity sought by the Developer. The District Board shall finally determine and authorize the amount, type, and cost of the expansion of the effluent/irrigation treatment system, in accordance with the prevailing Florida statutes and rules, and subject to receipt of adequate funds as provided in Paragraph (5)(C) below.

- C. **Developer to advance funds for expansion.** The Developer agrees to provide the District with sufficient funds to cover the cost of the expansion of any necessary effluent treatment/irrigation treatment plant capacity to enable effluent to be used for irrigation, including but not limited to additional storage capacity, or the expansion of an irrigation water alternative system, for the areas identified by the Developer, pursuant to a funding agreement with the District. The District shall not reimburse the Developer under the terms of that funding agreement for costs advanced. Rates, fees and charges applicable for service to areas where such facilities

have been funded by the Developer shall be in accordance with the rules duly adopted by the District and in accordance with this Agreement.

6. Other Utility Facilities.

- A. Installation of facilities by the Developer; dedication to District.** The Developer agrees to install, at its sole cost and expense, all other utility systems, facilities, plant, and property necessary to provide service to the area being developed. This includes all collection and distribution facilities, lift stations, and subdivision lines, whether for water, sewer, or effluent/irrigation. The Developer agrees that it will, upon completion, dedicate such systems, facilities, and plant to the District at no cost or expense to the District, together with any reasonably required easements, licenses, or property interests.
- B. District approval of Developer plans.** The Developer agrees that prior to the installation of any such utility facilities which may ultimately be dedicated to the District for the provision of utility service, it will submit to the District its plans for review and approval by the District Engineer. All such installations and review shall be in accordance with the District's rules.

7. APPLICABLE DISTRICT RATES, FEES AND CHARGES. Inasmuch as new class or classes of customers served by the utility system expansion contemplated in this Agreement will receive service through facilities that have been funded by the Developer, the District agrees that it may review its existing rate structure to ensure that the application of all other existing rates, fees and charges are appropriate.

8. FUTURE UTILITY EXPANSIONS. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall in any way limit the District's ability to plan for and provide additional utility service within its boundaries, nor prevent it from entering into other agreements for the expansion of the utility system with other landowners or developers, provided that any such other agreements shall not materially adversely affect the District's ability to fulfill its obligations and duties under this Agreement, nor increase the costs to the Developer without the consent of the Developer. The District, in its sole discretion and consistent with then-existing Florida law and rules and sound engineering practice, shall determine the appropriate increment of utility system expansions needed in the future. Nothing in this Agreement shall require the District to take any action in contravention of Florida law, including but not limited to the requirement to set just, equitable, and uniform rates for users of the same class, and to meet the debt service on its outstanding bonds. Nothing in this Agreement shall prevent the District from taking all actions reasonably necessary to comply with applicable environmental rules, regulations, laws, or enforcement actions relating to the operation of its Utility System, and nothing in this Agreement shall limit the fair share obligation of the Developer or future customers, if any, for these changes or actions.

9. TAX LIABILITY. The Developer agrees to indemnify the District from and make payment for any and all tax liability, ad valorem, personal property, intangibles, or otherwise, which may be imposed upon the District or the Developer as a result of the Developer and the District entering into this Agreement, whether such taxes are imposed upon the District's property or property interest, or the Developer's property or property interest, or any other such tax. The Parties agree to provide notice to each other within ten (10) calendar days of receipt of any notice of potential or actual tax liability from a taxing authority, as a result of any transaction pursuant to this Agreement. The Developer covenants to pay such taxes in a timely manner in accordance with Florida law. The Developer agrees to make payment directly to the taxing authority. In the event that the Developer fails to make timely payment of any such taxes, the Developer acknowledges the District's right to make such payment. If the District makes such payment, the Developer agrees to reimburse the District within seven (7) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties, or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District. The Parties reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax in good faith, which they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

10. NO TAXES OR ASSESSMENTS. Nothing in this Agreement shall in any manner obligate or require the District to impose any taxes or assessments on any property within the District to finance or fund the costs of expansion of the water, sewer, or effluent irrigation facilities.

11. INDEMNIFICATION. The Developer agrees to indemnify and hold harmless the District and its officers, staff, agents, and employees from any and all liability, claims, actions, suits, or demands by any person, corporation, or other entity for injuries, death, property damage, or claims of any nature, arising out of, or in connection with, this Utility Expansion Agreement, including litigation or any appellate proceedings with respect thereto; provided, however, that the Developer shall not indemnify the District for a default by the District under this Agreement.

12. ASSIGNMENT. Except as otherwise provided herein, neither Party may assign this Agreement or any monies to become due hereunder without the prior written approval of the other Party, which approval shall not be unreasonably withheld, conditioned or delayed. Developer shall, have the right from time to time to assign or transfer utility capacity reserved by the Developer pursuant to this Agreement to any successor(s) in title to all or any portion of the lands comprising the Development; provided however that without the District's prior approval, which shall not be unreasonably withheld, conditioned, or delayed, such assignment or transfer shall not affect Developer's obligations or rights under this Agreement to finance capacity expansions, including but not limited to the posting of letters of credit or funding water or effluent or irrigation expansions.

13. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE. A default by any Party under this Agreement shall entitle the others to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief, and/or specific performance. The District shall be solely responsible for enforcing its rights under this

Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the District's right to protect its rights from interference by a third party to this Agreement.

14. ENFORCEMENT OF AGREEMENT. In the event that either Party is required to enforce this Agreement by court proceedings or otherwise, then the Parties agree that the prevailing party shall be entitled to recover from the other all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

15. AGREEMENT. This instrument shall constitute the final and complete expression of this Agreement by and among the District and the Developer relating to the subject matter of this Agreement.

16. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by the District and the Developer.

17. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of all Parties. All Parties have complied with all the requirements of law, and all Parties have full power and authority to comply with the terms and provisions of this instrument.

18. NOTICES. All notices, requests, consents and other communications under this Agreement ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Parties, as follows:

A. If to the District:	Dunes Community Development District 5000 Palm Coast Parkway Palm Coast, Florida 32037 Attn: District Manager
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With a copy to:	Hopping Green & Sams, P.A. 123 South Calhoun Street Post Office Box 6526 Tallahassee, Florida 32314 Attn: Jonathan T. Johnson
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B. If to the Developer:	H.D. Associates, L.P. 2 Camino del Mar Palm Coast, Florida 32137 Attn: Terry Pendleton
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Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the

place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Developer may deliver Notice on behalf of the District and the Developer. Any Party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth in this Agreement.

19. ARM'S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and the Developer as an arm's length transaction. All Parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, all Parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either the District or the Developer.

20. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Developer and no right nor any cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended nor shall be construed to confer upon any person or corporation other than the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing, nothing in this Paragraph shall be construed as impairing or modifying the rights of any holders of bonds issued by the District for the purpose of acquiring any Work Product or portion of the Project.

21. CONTROLLING LAW. This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida.

22. EFFECTIVE DATE. This Agreement shall be effective upon the execution by both the District and the Developer.

23. PUBLIC RECORDS. The Developer understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and will be treated as such in accordance with Florida law.

24. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

25. **SOVEREIGN IMMUNITY.** The Developer agrees that nothing in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, Florida Statutes, or other statutes or law.

26. **HEADINGS FOR CONVENIENCE ONLY.** The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

27. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

IN WITNESS WHEREOF, the Parties execute this agreement the day and year first written above.

ATTEST:

**DUNES COMMUNITY
DEVELOPMENT DISTRICT**

Asst. John A. Lechow
Secretary

By: R.H. Allmon
Chairman

H.D. ASSOCIATES, L.P.

Barbara Peacock
(Signature of Witness)

By: Terry Pendleton

Barbara Peacock
(Print Name of Witness)

Terry Pendleton
(Print Name)

Its: Vice President

E.

RESOLUTION 2022-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE DUNES COMMUNITY DEVELOPMENT DISTRICT ADOPTING AMENDED AND RESTATED RULES OF PROCEDURE; ADOPTING TOLL FACILITY AND TRANSPORTATION SYSTEM RULES; ADOPTING DCDD UTILITY RULES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Dunes Community Development District (District) is a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes; and

WHEREAS, Chapter 190, *Florida Statutes*, authorizes the District to adopt rules to govern the administration of the District and to adopt resolutions as may be necessary for the conduct of District business; and

WHEREAS, the District has previously adopted Rules of Procedure to govern the administration of the District; and

WHEREAS, to provide for efficient and effective District operations and to maintain compliance with recent changes to Florida law, the Board of Supervisors finds that it is in the best interests of the District to adopt by resolution the Amended and Restated Rules of Procedure attached hereto as **Exhibit A** for immediate use and application; and

WHEREAS, the Board of Supervisors has complied with applicable Florida law concerning rule development and adoption.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS:

SECTION 1. The attached Chapter 1 – Amended and Restated Rules of Procedure, Chapter 2 – Toll Facility and Transportation System Rules, and Chapter 3 – DCDD Utility Rules are hereby adopted pursuant to this resolution as necessary for the conduct of District business. These Amended and Restated Rules replace all prior versions of these Chapters and shall stay in full force and effect until such time as the Board of Supervisors may amend these rules in accordance with Chapter

190, *Florida Statutes*.

SECTION 2. If any provision of this resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

SECTION 3. This resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED this 12th day of November, 2021.

George DeGiovanni
Chairman

Gregory L. Peugh
Secretary

Exhibit A: Chapter 1 – Amended and Restated Rules of Procedure
Chapter 2 – Toll Facility and Transportation System
Chapter 3 – DCDD Utility Rules

F.

Section 1

Stormwater Fee Credit Policy

The Dunes Community Development District (DCDD) has constructed and operates a stormwater management system that provides numerous benefits to its residents and businesses including reduced flooding, improved water quality, environmental enhancement and aesthetic improvements of the receiving waters in and adjacent to the District. In accordance with Chapter 190 of the Florida Statutes, the District adopted an ordinance that established a Stormwater Utility that charges utility fees for stormwater management service to property owners and/or tenants on an equitable basis for the stormwater that they discharge to the District's stormwater management systems.

Customers may qualify for a stormwater fee credit when they demonstrate that their existing stormwater facilities provide the District with a savings of cost that the District otherwise would incur as a part of their efforts to manage stormwater. The maximum amount of potential fee reduction is 25%.

The following sections provide information required for a property owner to determine whether he or she qualifies for a stormwater credit, explains how credits are calculated, and provides the necessary forms that a property owner will need to apply for the credit.

1.1 General Policies

The District applies the following general policies regarding application for stormwater fee credits:

- Credit is only available to eligible non-residential properties.
- Homeowners Associations (HOAs) may seek credit for fees charged to common areas that include the stormwater facility.
- Right of access for periodic inspections must be granted to the District to verify that the credited stormwater facility is being maintained.
- Credit applications for existing facilities may be submitted at any time. The newly calculated fee, once approved, will be adjusted on the bill following the month of credit approval. Credits will not be applied retroactively.
- Credit applications for new construction may only be submitted after the following conditions have been satisfied:
 - Construction of the stormwater facility has been completed
 - The Engineer of Record has certified that it has been built in compliance with the construction plans

- A Certificate of Occupancy (if required) has been issued by the County

1.2 Specific Policies

This section summarizes the specific policies for credit eligibility.

Policy 1: Eligible Properties

All non-residential properties which have constructed stormwater treatment facilities and maintain them in accordance with the St Johns River Water Management District (SJRWMD) defined standards may be eligible for the 25% fee credit. To receive any credit towards their stormwater fee, the property owner must demonstrate that:

- 1) The subject stormwater management facility was designed to meet water quantity and quality treatment criteria established by the SJRWMD.
- 2) The subject stormwater quantity and quality facility was constructed according to SJRWMD permitted design.
- 3) The subject stormwater quantity and quality facility is adequately maintained on a continuing basis such that it meets SJRWMD quantity and quality requirements.

Policy 2: Suitability of Facility Design

Applicant must submit the following documents as appropriate to demonstrate that the subject stormwater management facility either is permitted or could be permitted under the current SJRWMD Environmental Resource Permit (ERP) criteria:

- A copy of the current SJRWMD ERP issued for the subject stormwater management system
- A copy of the previously issued SJRWMD ERP that was utilized for construction of the stormwater management system
- A report from a Professional Engineer registered in Florida that states, based upon his/her analysis of the subject stormwater management system, that while the system has not been previously permitted it meets the quantity and quality design criteria of the SJRWMD ERP criteria.

Policy 3: Suitability of Maintenance

Applicant must verify that the stormwater facility is being maintained to achieve the permitted quantity and quality design intentions to be eligible for the fee credit. The applicant shall submit one of the following documents as demonstration to the District that the subject stormwater facility is being maintained properly.

- A copy of the last successful SJRWMD ERP inspection report, if completed in the 12-month period preceding the date of application.
- A statement from a Professional Engineer registered in Florida that states, based upon his/her inspection of the subject stormwater management system, that the system has

been maintained in a manner that will enable it to meet the quantity and quality design criteria of the SJRWMD ERP.

Policy 4: Credit for Treated Area

The credit shall only be applied to those portions of the property served by the stormwater treatment facility.

Policy 5: Granting of Right-of-Entry

Via the application form, the applicant must grant to the District right-of-entry to periodically inspect the stormwater facility to verify on-going maintenance.

If all requirements and conditions of this section are met, the credit will be available upon successful completion and approval of the attached Fee Credit Application. The credit shall remain in force for one (1) year as long as the facility is maintained in satisfactory condition. The credit may be renewed annually as long as the facility is maintained in satisfactory condition. It is the applicant's responsibility to reapply each year.

1.3 Fee Credit Calculation

The following example shows the process to determine credit for the customer. Consider a property with an impervious area of 30,500 square feet, including 20,000 square feet of paved parking and 10,500 square feet of building area. Per the approved ordinance, the base Equivalent Residential Unit (ERU) for the stormwater fee is 3,320 square feet of impervious area and the base fee is \$15 per month per ERU.

Therefore, the initial bill for this property is calculated as follows:

$$\text{Monthly Fee} = \text{Impervious Area} / \text{ERU} \times \text{Base Monthly Rate} = 30,500 / 3,320 \times \$15$$

$$\text{Monthly Fee} = \$137.80 \text{ per month}$$

Let's assume the applicant requests a fee credit for a permitted stormwater treatment facility on this property. In this case, the stormwater facility captures and treats stormwater runoff from only the parking area (20,000) and does not treat runoff from the building area. Thus, the applicant would be eligible for a 25% reduction of the fees associated with the parking area. The fee reduction would be calculated as follows:

$$\text{Credit} = \text{Treated Impervious Area} / \text{ERU} \times \text{Base Monthly Rate} \times 25\% = 20,000 / 3,320 \times \$15 \times 25\%$$

$$\text{Credit} = \$22.60 \text{ per month}$$

Therefore, the new monthly fee for the credited property would be calculated as follows:

$$\text{New Monthly Fee} = \text{Original Monthly Fee} - \text{Credit} = \$137.80 - \$22.60$$

$$\text{New Monthly Fee} = \$115.20$$

This corresponds to a \$271.20 savings for each year the facility is permitted and properly maintained by the owner.

1.4 Non-Residential Application Procedures

A non-residential property owner seeking a fee credit must comply with the procedures outlined in this document and must submit a fee credit application (see attached). All information necessary for the District Manager to make a determination must be supplied as outlined in this document and the application. Failure to comply with the procedures outlined in this document will result in denial of the Credit Application.

1.5 Credit Enforcement

The District reserves the right to review the application for accuracy and/or inspect and review documentation confirming the provision of the facility at any time. If, after its review or inspection, the District finds the application to be inaccurate for the facility is not maintained per requirements, the property owner will be notified in writing and given 45 days to correct the deficiency. The property owner must provide written documentation to the District Manager within 45 days of the original notice that the requirements are being met or continued as agreed to in the application in addition to such evidence as the District Manager reasonably requires (such as photo documentation) showing the deficiency has been corrected. If, in the opinion of the District Manager, the deficiency is not satisfactorily corrected, the fee credit attributable to the deficiency will be terminated on the following billing cycle and will remain in effect for a minimum of 12 months. Reapplication for fee credit will not be reviewed until the requirements have been adequately met and evidence of the corrections has been provided with the reapplication. It will be the responsibility of the property owner to provide that the permitted stormwater management goals are met prior to the credit being reissued. Maintaining an up-to-date mailing address with the DCDD is the responsibility of the applicant.

Stormwater Fee Credit Application

GENERAL INFORMATION

1. Customer Contact Information:

Name/Title: _____

Company: _____

Address: _____

Phone: _____ Email: _____

2. Account #(s) _____

3. Property Address: _____

4. Authorized Representative (if different from above) Contact Information

Name/Title: _____

Address: _____

Phone: _____ Email: _____

5. St. Johns River Water Management District (SJRWMD) Information:

Environmental Resource Permit (ERP) Number: _____

Permit Issuance Date: _____

6. Application Submittal Checklist:

_____ Site Map Showing Area Treated by Permitted Stormwater Facility

_____ Copy of Effective SJRWMD Permit (if applicable)

_____ Copy of Last SJRWMD Inspection Report (if applicable)

_____ Copy of Report by Professional Engineer Certifying Compliance with
SJRWMD ERP Requirements (if applicable)

7. Right of Entry Declaration:

As a condition of an approved credit, I hereby grant the District right of entry to the subject property for inspection of the credited facility to ensure on-going maintenance and performance of the facility. _____ (initial)

Signature of Property Owner

Date

Submit to:

Mail:

District Utility Office
101 Jungle Hut Road
Palm Coast, FL 32137

Email:

malvarado@dunescdd.org

DISTRICT USE ONLY

Facility Permit is Valid? Y N

Valid Proof of Maintenance Provided? Y N

Percent of Impervious Area Treated by Stormwater Facility: _____

Credit Granted (25%): Y N

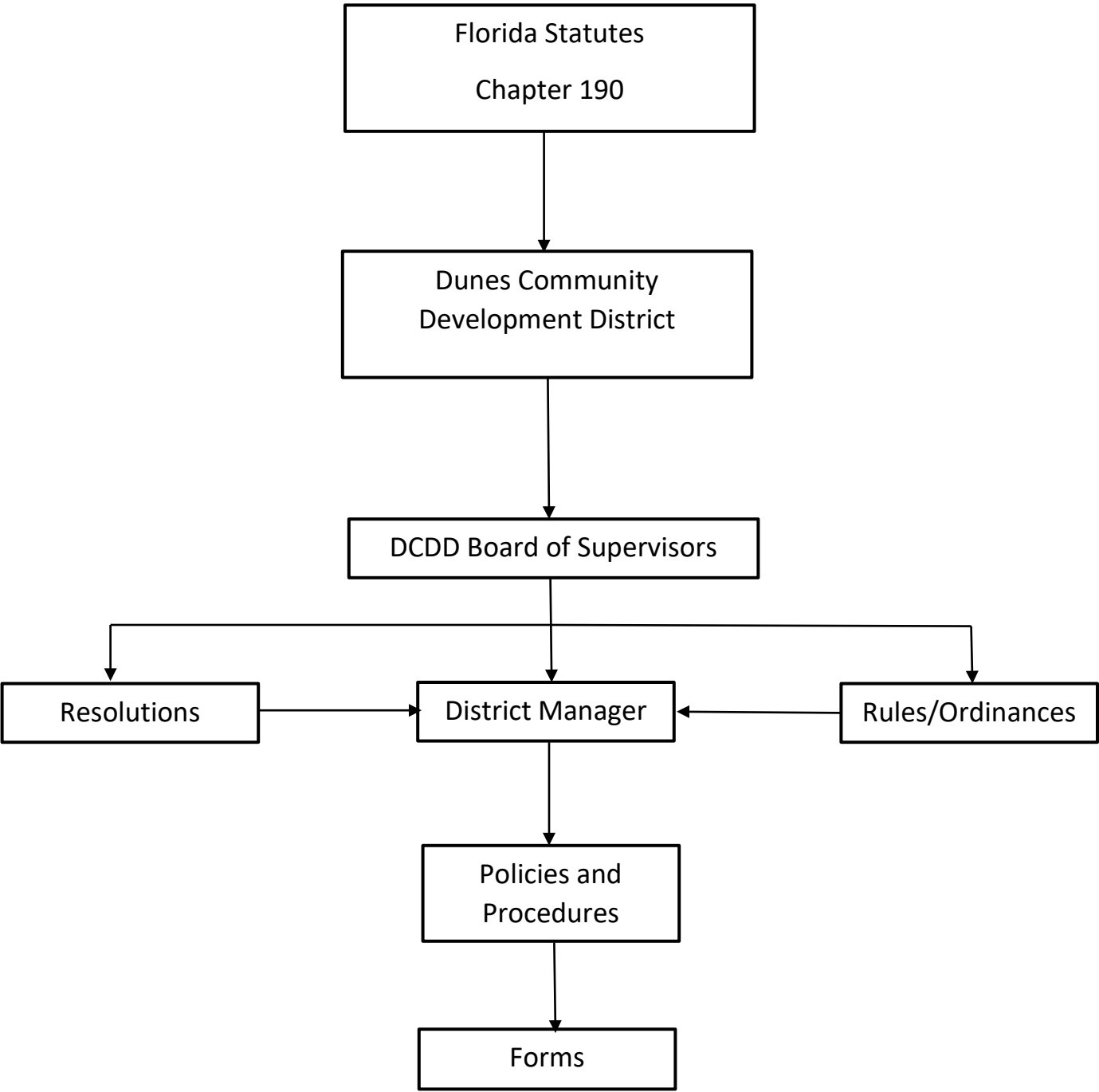
Current Monthly Stormwater Fee: \$ _____

New Monthly Stormwater Fee: \$ _____

Effective Date of New Monthly Fee: _____

APPROVAL SIGNATURE:

G.



H.

- Engineer Report

HD Parkway - ICWW Bridge - Repair Plans

Kisinger, Campo and Associates (KCA) performed required biennial inspections of the Hammock Dunes Bridge in 2017 and 2019. Inspection results indicated acceptable Sufficiency Ratings and Health Indices with little to no change between 2017-2019. The inspection results also indicated further items for repair.

Final plans and bid documents were completed with costs estimated by the Engineer at \$ 1.131 Million. In October 2020, the Board approved a contract award to lowest qualified bidder, Sieg & Ambachtsheer, DeLand, FL, in the amount of \$824,950. The Board also approved an engineering proposal from KCA/ Kissinger Campo Construction Services (KCCS) for Construction Engineering and Inspection (CEI) Services for project oversight in the amount of \$90,285. A preconstruction conference was held on November 4, 2020, and a Notice to Proceed date of February 8, 2021, was established with the Contractor. The Engineer approved the Contractor's Project Work Schedule illustrating the project to be substantially complete by late July 2021. Change Order 1 was issued on July 14, 2021, in the amount of \$10,000 for additional work and time (30 days) related to cathodic protection continuity due to epoxy coated reinforcing steel used in original construction. The Engineer and District authorized Pay Application No. 5 in the amount of \$248,778 for work completed during recent period to include maintenance of traffic, cathodic protection, structural steel rehabilitation, bearing pad installation and restoration of spalled concrete areas on structure. The project is approximately 93% complete. Engineer approved Contractor's submittals for filter fabric, rubble, and bedding stone in accordance with the specifications. Project is anticipated for completion by end of November.

Standby, Emergency Pumps

This is a multi-year budgeted project for provision of additional emergency backup pumping equipment to maintain sewer service to our customers during extended power outage periods. Priority 1 & 2 Facilities completed.

Priority 3 Facilities (2019-20): Lift Station (LS) -10, 34 Island Estates and LS-15, Ocean Way S: Status: Final walk through with consultant and staff held on June 2. Received Operation & Maintenance Manual from Contractor/ Pump Supplier. Awaiting receipt of revised record drawings and Engineer approval of final pay request for project closeout.

Priority 4 Facilities (2020-21): LS-16, Ocean Way N Status: Quotations received from three (3) interested contractors ranging from \$47,245 to \$61,000. A purchase order was issued to RCM Utilities, LLC located in Eustis, FL in the amount of \$47,245. Contractor mobilized and completed work during the first week of August. Pump start-up was successful and occurred on August 25, 2021, with contractor, engineer, pump supplier and utility staff attending. A final punch list was prepared by Engineer and forwarded to Contractor. Punchlist work completed 9/22/21. Project

closeout items pending include receipt and review of final pay request, release of liens, warranty, and record drawings.

Priority 5 Facilities (2021-22): LS-8, Madeira Ct. Status: An engineering proposal was received from CPH Engineers for performance of design and survey related services in the amount of \$20,050. A purchase order will be issued to CPH upon negotiation of final scope or work.

Stormwater Utility Program Development & Implementation

A project kick-off meeting was held with staff and consultant team (CDM Smith) on February 26, 2020, to discuss project goals and to better familiarize their understanding of the District's overall stormwater system configuration, available mapping and records resources and other information concerning the District's utility billing system and processing procedures. Virtual meeting held with consultant and attorney on May 28, 2021, for review of draft stormwater rule, rate schedule and frequently asked questions flyer for proposed stormwater utility program. Proposed Chapter 4 Stormwater Rules were forwarded to Board of Supervisors on June 11, 2021. A customer flyer was developed to share program information with homeowner associations, customers, and community. A workshop was held on August 16 at the Ocean View Room at Atlantic Grill Lodge where CDM Smith, District Manager, and select Board Members presented the District's stormwater utility and program. A public hearing was held for purpose of adopting the District's Chapter 4 – Stormwater Rules on October 8, 2021. The Board also adopted the Stormwater Utility Fees on same date. A draft stormwater fee credit policy for non-residential based properties was requested and prepared for Board consideration.

Hammock Dunes Bridge Toll Facility Improvements

Contractor Pay Application Request No. 7 in the amount of \$36,500 was approved. Base Bid portion of project (Generator & Fuel Tank Removal/ Replacement/ Start-up) is 100% complete. A Notice to Proceed was issued to the Contractor on 1/4/2021 for the Additive Alternate Bid portion (Building & Site Renovations). The Contractor provided a preliminary project schedule with tentative project substantial completion to occur (1/22). Contractor received Building Permit issued by Flagler Co. on March 5, 2021. The Contractor provided an updated project schedule with tentative project substantial completion to occur (4/22). Received and authorized Pay Request No. 8 in the amount of \$15,778. Contractor's most recent two week look ahead includes continued installation of accessibility ramp for eventual issuance by Flagler Co. of a certificate of occupancy for temporary office trailer. Upon issuance of certificate, staff can transition necessary toll operations activities to the temporary trailer to allow demolition activities to get underway. Installation of underground drainage Storm Tech System and stone is complete. Project completion is approximately 25%.

WTP Risk & Resilience (R&R) Assessments / Emergency Response Plans

The America's Water Infrastructure Act (AWIA) of 2018 requires community potable water utilities serving populations greater than 3,300 to complete and submit certifications for Risk & Resilience Assessments (RRAs) and Emergency Response Plans (ERPs). AWIA certifications are required by the United States Environmental Protection Agency (EPA). Dunes Community Development District (Dunes CDD) owns and operates a community water system (CWS) serving a population of greater than 3,300 and is required to complete an RRA. The RRA deadline for Dunes CDD Utility Division is June 30, 2021, with subsequent certification of Emergency Response Plan due six (6) months afterward.

Consultant (Mead & Hunt) prepared - Technical Memorandum (TM) along with the AWIA Small System RRA Checklist and Spreadsheet provided on March 16, 2021. Staff recently responded to correspondence received from the FDEP confirming that the required R&R Assessment activity is on schedule and completed the on-line EPA Certification on June 16, 2021, as required. Received final R&R Assessment report and executive summary along with draft Emergency Response Plans for various priority risk arenas determined during the assessment on October 19, 2021. Documents are currently being reviewed by staff for eventual comments to consultant.

Water/ Wastewater/ Stormwater/ CUP Regulatory Activities

Received request from Office of Economic & Demographic Research (EDR), in concert with House Bill 53, Sections 403.9301 and 9302, Florida Statutes, with directive for local governments and special districts that provide a stormwater management system or program, or wastewater management services, to develop a 20-year needs analysis every five years. A stormwater management system template (wastewater template upcoming) is provided on the EDR website that must be completed and provided to their respective county by June 30, 2022, for compilation by each county and submission to EDR and FDEP by July 31, 2022.

Staff also awaiting receipt of production well sampling results for submittal of CUP Water Quality (EN7) Semi-annual Report due November 30.

I.



FISCAL YEAR 2022 TOLL REVENUES

FY 2021	REVENUES						VEHICLES TRIPS						\$/VEHICLE
			%	TOTAL	PREVIOUS	% CHANGE		PREVIOUS	% CHANGE			TURN ARND/	
		BRIDGE	CASH/	MONTHLY	YEAR	FROM PRIOR		YEAR	FROM PRIOR		BRIDGE	VIOLATION/	
MONTH	CASH	PASS	BPASS	COLLECTIONS	COLLECTIONS	YEAR	TOTAL	VEHICLES	YEAR	CASH	PASS	EMPLOYEE	
OCTOBER 2020	\$ 68,567.00	\$ 80,026.33	85.68%	\$ 148,593.33	\$ 138,164.29	7.02%	179,283	168,626	6.32%	33,468	142,403	3,412	\$ 0.828820
NOVEMBER 2020				\$ -	\$ 125,613.08			155,279					
DECEMBER 2020				\$ -	\$ 128,242.03			160,611					
JANUARY 2021				\$ -	\$ 124,799.80			159,997					
FEBRUARY 2021				\$ -	\$ 126,792.66			158,834					
MARCH 2021				\$ -	\$ 166,861.29			196,411					
APRIL 2021				\$ -	\$ 160,845.36			188,895					
MAY 2021				\$ -	\$ 170,727.43			194,941					
JUNE 2021				\$ -	\$ 166,577.49			185,781					
JULY 2021				\$ -	\$ 176,767.97			193,684					
AUGUST 2021				\$ -	\$ 148,383.63			174,387					
SEPTEMBER 2021					\$ 135,554.38			165,359					
					\$ 1,769,329.41			2,102,805					
TOTALS=	\$ 68,567.00	\$ 80,026.33		\$ 148,593.33			179,283			33,468	142,403	3,412	
PERCENT OF TOTAL=	46.1%	53.9%								18.7%	79.4%	1.9%	
AVERAGES=	\$ 68,567.00	\$ 80,026.33	85.68%	\$ 13,508.48			179,283			33,468	142,403	3,412	
12 MONTH PROJECTION=	\$ 822,804.00	\$ 960,315.96		\$ 162,101.81			2,151,396			401,616	1,708,836	40,944	
FY 22 BUDGETED PROJECTION=	\$ 1,695,750												
	12345	=Revised number											



BIKETOBERFEST 2021				
DAY	DATE	ONE WAY	TWO WAY	CORRESPONDING
		TRAFFIC	TRAFFIC	TRAFFIC YEAR
MONDAY	10/11/2021	5,755	11,510	2021
TUESDAY	10/12/2021	6,101	12,202	2024
WEDNESDAY	10/13/2021	6,051	12,102	2023
THURSDAY	10/14/2021	6,313	12,626	2026
FRIDAY	10/15/2021	6,962	13,924	2032
SATURDAY	10/16/2021	5,760	11,520	2021
SUNDAY	10/17/2021	4,651	9,302	<2018
MONDAY	10/18/2021	5,703	11,406	2020

J.



DUNES COMMUNITY DEVELOPMENT DISTRICT								
FY 2022 ADDITIONAL BUDGET ITEMS								
			FUND CLASSIFICATION				BOARD MEETING	
ITEM	AUTHORIZED EXPENDITURES	GENERAL	BRIDGE	W&S	TOTAL	CLASSIFICATION	AUTHORIZED	NOTES
1					\$ -			
2					\$ -			
3					\$ -			
4					\$ -			
5					\$ -			
	SUB-TOTALS=	\$ -	\$ -	\$ -	\$ -			
	UPCOMING ITEMS							
i.								
ii.								
	SUB-TOTALS=	\$ -	\$ -	\$ -	\$ -			
	GRAND TOTAL ALL IDENTIFIED ITEMS=	\$ -	\$ -	\$ -	\$ -			
	POTENTIALLY ABSORBABLE WITH EXISTING BUDGET							
A								
	SUB-TOTALS=	\$ -	\$ -	\$ -	\$ -			

K.

DUNES
COMMUNITY DEVELOPMENT DISTRICT

Unaudited Financial Statements
as of
September 30, 2021

Board of Supervisors Meeting
November 12, 2021

DUNES COMMUNITY DEVELOPMENT DISTRICT

BALANCE SHEET

September 30, 2021

	Major Fund
	General
<u>ASSETS:</u>	
Cash	\$23,993
Due from other Funds	\$2,203
Investments	\$153,008
Prepays	\$1,992
TOTAL ASSETS	<u>\$181,197</u>
<u>LIABILITIES AND FUND BALANCES:</u>	
Liabilities:	
Accounts Payable	\$9,821
Due to Other Funds	\$745
TOTAL LIABILITIES	<u>\$10,567</u>
Fund Balances:	
Assigned:	
Current year's expenditures	\$65,460
Unassigned	\$103,177
TOTAL FUND BALANCES	<u>\$170,630</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$181,197</u>

DUNES COMMUNITY DEVELOPMENT DISTRICT

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Period Ended September 30, 2021

EXPENSE CODE	DESCRIPTION	GENERAL FUND BUDGET	PRORATED BUDGET THRU 09/30/21	ACTUAL THRU 09/30/21	VARIANCE
REVENUES:					
001.300.31900.10000	Maintenance Taxes	\$197,000	\$197,000	\$197,037	\$37
001.300.36100.11000	Interest Income	\$1,056	\$1,056	\$359	(\$697)
TOTAL REVENUES		\$198,056	\$198,056	\$197,396	(\$660)
EXPENDITURES:					
<u>Administrative</u>					
001.310.51300.11000	Supervisor Fees	\$14,000	\$14,000	\$12,000	\$2,000
001.310.51300.21000	FICA Expense	\$1,071	\$1,071	\$918	\$153
001.310.51300.31100	Engineering/Software Services	\$20,000	\$20,000	\$0	\$20,000
001.310.51300.31500	Attorney	\$11,000	\$11,000	\$13,852	(\$2,852)
001.310.51300.32000	Collection Fees/Payment Discount	\$12,000	\$12,000	\$10,768	\$1,232
001.310.51300.32200	Annual Audit	\$3,440	\$3,440	\$3,440	\$0
001.310.51300.34000	Management Fees	\$9,800	\$9,800	\$9,800	\$0
001.310.51300.35100	Computer Time	\$1,000	\$1,000	\$1,000	\$0
001.310.51300.40000	Travel Expenses	\$2,000	\$2,000	\$0	\$2,000
001.310.51300.42000	Postage & Express Mail	\$3,000	\$3,000	\$3,169	(\$169)
001.310.51300.42500	Printing	\$2,500	\$2,500	\$2,022	\$478
001.310.51300.45000	Insurance	\$17,297	\$17,297	\$14,495	\$2,802
001.310.51300.48000	Advertising Legal & Other	\$1,500	\$1,500	\$4,617	(\$3,117)
001.310.51300.49000	Bank Charges	\$600	\$600	\$1,251	(\$651)
001.310.51300.49100	Contingencies	\$4,000	\$4,000	\$4,332	(\$332)
001.310.51300.51000	Office Supplies	\$2,000	\$2,000	\$442	\$1,558
001.310.51300.54000	Dues, Licenses & Subscriptions	\$1,000	\$1,000	\$175	\$825
001.320.53800.12000	Salaries	\$139,918	\$139,918	\$137,093	\$2,825
001.320.53800.21000	FICA Taxes	\$12,416	\$12,416	\$9,867	\$2,549
001.320.53800.22000	Pension Expense	\$11,193	\$11,193	\$11,003	\$190
001.320.53800.23000	Health Insurance Benefits	\$27,631	\$27,631	\$20,197	\$7,434
001.320.53800.24000	Workers Comp Insurance	\$3,600	\$3,600	\$4,462	(\$862)
001.320.53800.64000	Capital Improvements	\$150,000	\$150,000	\$85,075	\$64,925
TOTAL ADMINISTRATIVE		\$450,967	\$450,967	\$349,977	\$100,990
<u>General System Maintenance</u>					
001.320.53800.43000	Electric (7 Aerators)	\$15,000	\$15,000	\$11,130	\$3,870
001.320.53800.46500	Lake Maintenance	\$88,000	\$88,000	\$69,925	\$18,075
001.320.53800.46200	Landscaping	\$35,000	\$35,000	\$30,852	\$4,148
001.320.53800.52100	Grass Carp	\$3,000	\$3,000	\$0	\$3,000
001.320.53800.46700	Storm Drain System Maintenance	\$40,000	\$40,000	\$10,128	\$29,872
001.320.53800.46000	Building Maintenance	\$23,000	\$23,000	\$46,774	(\$23,774)
001.320.53800.46300	Tree & Shrub Removal	\$11,000	\$11,000	\$8,500	\$2,500
001.320.53800.49200	R&M-Floating Fountains	\$10,000	\$10,000	\$2,026	\$7,974
001.320.53800.49300	R&R-Equipment	\$5,000	\$5,000	\$498	\$4,502
TOTAL GENERAL SYSTEM MAINTENANCE		\$230,000	\$230,000	\$179,832	\$50,168
TOTAL EXPENDITURES		\$680,967	\$680,967	\$529,809	\$151,158
Excess (deficiency) of revenues over (under) expenditures		(\$482,910)	(\$482,910)	(\$332,412)	\$150,498
<u>Other Financing Sources/(Uses)</u>					
001.300.38100.10000	Interfund Transfer (From Bridge Fund)	\$417,450	\$417,450	\$417,450	\$0
TOTAL OTHER FINANCING SOURCES/(USES)		\$417,450	\$417,450	\$417,450	\$0
Net change in fund balance		(\$65,460)	(\$65,460)	\$85,038	\$150,498
FUND BALANCE - BEGINNING		\$65,460		\$85,592	
FUND BALANCE - ENDING		\$0		\$170,630	

DUNES COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS

	9/30/20 Major Funds		8/31/21 Major Funds		9/30/21 Major Funds		
	Water, Sewer and Effluent Reuse Enterprise Fund	Intracoastal Waterway Bridge Enterprise Fund	Water, Sewer and Effluent Reuse Enterprise Fund	Intracoastal Waterway Bridge Enterprise Fund	Water, Sewer and Effluent Reuse Enterprise Fund	Intracoastal Waterway Bridge Enterprise Fund	Total
ASSETS:							
Current Assets:							
Cash and Cash Equivalents:	2094.63						
Cash - Operating Account	\$627,330	\$196,034	\$312,525	\$124,044	\$35,311	\$136,650	\$171,961
Cash - On Hand	---	\$2,800	---	\$2,800	---	\$2,800	\$2,800
Petty Cash	---	\$539	---	\$1,047	---	\$986	\$986
Investments:							
State Board - Surplus Funds	\$3,940,943	\$11,303,042	\$4,150,176	\$10,727,174	\$4,402,718	\$10,833,091	\$15,235,809
State Board - Community Projects	---	\$96,234	---	\$65,138	---	\$2	\$2
Receivables							
Utility Billing	\$279,600	---	\$274,632	---	\$303,369	---	\$303,369
Unbilled Accounts Receivable	\$127,858	---	---	---	---	---	\$0
Due from Other Funds	---	\$5,937	---	\$5,260	---	\$6,159	\$6,159
Noncurrent Assets:							
Prepays	\$11,877	\$5,071	\$1,534	\$14,209	\$24,307	\$4,755	\$29,061
Deposits	\$1,000	---	\$1,000	---	\$1,000	---	\$1,000
Capital Assets:							
Land	\$875,488	\$85,000	\$875,488	\$85,000	\$875,488	\$85,000	\$960,488
Plant-Expansion (Net)	\$4,588,225	---	\$4,588,225	---	\$4,588,225	---	\$4,588,225
Maintenance Building (Net)	\$42,593	---	\$42,593	---	\$42,593	---	\$42,593
Equipment (Net)	\$767,837	\$42,142	\$767,837	\$42,142	\$767,837	\$42,142	\$809,979
Roadways (Net)	---	\$1,440,913	---	\$1,440,913	---	\$1,440,913	\$1,440,913
Bridge Facility (Net)	---	\$4,835,808	---	\$4,835,808	---	\$4,835,808	\$4,835,808
Improvements Other than Buildings (Net)	\$14,420,222	---	\$14,420,222	---	\$14,420,222	---	\$14,420,222
Meters in the Field/Inventory (Net)	\$0	---	\$0	---	\$0	---	\$0
Construction in Progress	\$7,420,023	\$574,803	\$7,420,023	\$574,803	\$7,420,023	\$574,803	\$7,994,826
TOTAL ASSETS	\$33,102,997	\$18,588,323	\$32,855,230	\$17,918,338	\$32,882,067	\$17,963,108	\$50,845,175
LIABILITIES:							
Current Liabilities:							
Accounts Payable	\$149,073	\$186,030	\$67,607	\$12,915	\$94,323	\$106,630	\$200,952
Due to Other Funds	\$6,074	---	\$6,519	---	\$7,616	---	\$7,616
Due to Pension Fund	---	\$0	---	---	---	---	\$0
Noncurrent Liabilities:							
Utility Deposits	\$1,347	---	\$1,347	---	\$1,347	---	\$1,347
Customer Refunds Due	\$3,350	---	\$3,350	---	\$3,350	---	\$3,350
Prepaid Connection Fees	\$804,173	---	\$779,673	---	\$751,573	---	\$751,573
Deferred Toll Revenue ⁽²⁾	---	\$543,720	---	\$502,958	---	\$502,958	\$502,958
TOTAL LIABILITIES	\$964,016	\$729,750	\$858,496	\$515,873	\$858,208	\$609,588	\$1,467,796
NET POSITION							
Net Invested in Capital Assets	\$28,114,388	\$6,978,665	\$28,114,388	\$6,978,665	\$28,114,388	\$6,978,665	\$35,093,053
Restricted for Community Projects ⁽¹⁾	---	\$96,096	---	\$0	---	\$0	\$0
Unrestricted	\$4,024,593	\$10,783,812	\$3,882,346	\$10,423,799	\$3,909,471	\$10,374,855	\$14,284,326
TOTAL NET POSITION	\$32,138,981	\$17,858,573	\$31,996,734	\$17,402,465	\$32,023,859	\$17,353,521	\$49,377,379

⁽¹⁾ Bridge Interlocal Agreement with County.

⁽²⁾ Adjustment was made after conversion of new Toll System from bonus dollars.

DUNES COMMUNITY DEVELOPMENT DISTRICT

Water and Sewer Fund-Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

For the Period Ended September 30, 2021

EXPENDITURE CODE	DESCRIPTION	WATER/SEWER FUND BUDGET	PRORATED BUDGET THRU 09/30/21	ACTUAL THRU 09/30/21	VARIANCE
OPERATING REVENUES:					
041.300.34300.30000	Water Revenue	\$969,987	\$969,987	\$1,061,996	\$92,009
041.300.34300.50000	Sewer Revenue	\$894,301	\$894,301	\$905,005	\$10,704
041.300.34300.76000	Irrigation/Effluent	\$1,147,185	\$1,147,185	\$1,194,903	\$47,718
041.300.34300.10000	Meter Fees	\$20,000	\$20,000	\$30,843	\$10,843
041.300.34300.10100	Connection Fees - W, S & I (75 units)	\$20,000	\$20,000	\$71,000	\$51,000
041.300.36900.10000	CPC Effluent Agreement	\$40	\$40	\$0	(\$40)
041.300.34900.10200	Backflow Preventor/Misc.	\$100	\$100	\$3,340	\$3,240
041.300.36900.10000	Misc. Income / Penalty	\$14,007	\$14,007	\$29,642	\$15,635
TOTAL OPERATING REVENUES		\$3,065,620	\$3,065,620	\$3,296,729	\$231,109
OPERATING EXPENSES					
<u>Administrative</u>					
041.310.51300.31100	Engineering	\$50,000	\$50,000	\$65,186	(\$15,186)
041.310.51300.31500	Attorney	\$35,000	\$35,000	\$4,766	\$30,234
041.310.51300.32200	Annual Audit	\$7,740	\$7,740	\$7,740	\$0
041.310.51300.34000	Management Fees	\$22,050	\$22,050	\$22,050	\$0
041.310.51300.40000	Travel Expenses	\$15,000	\$15,000	\$16,640	(\$1,640)
041.310.51300.42000	Postage & Express Mail	\$6,000	\$6,000	\$4,767	\$1,233
041.310.51300.42500	Printing & Mailing Utility Bills	\$17,500	\$17,500	\$18,930	(\$1,430)
041.310.51300.48000	Advertising Legal & Other	\$2,500	\$2,500	\$3,326	(\$826)
041.310.51300.49000	Bank Charges	\$10,000	\$10,000	\$5,346	\$4,654
041.310.51300.49100	Contingencies	\$15,000	\$15,000	\$8,123	\$6,877
041.310.51300.51000	Office Supplies and Equipment	\$15,000	\$15,000	\$11,978	\$3,022
041.310.51300.54000	Dues, Licenses & Subscriptions	\$18,000	\$18,000	\$8,197	\$9,803
041.310.51300.54200	Permits Fees WTP & WWTP	\$15,000	\$15,000	\$9,100	\$5,900
041.310.51300.55000	Land Leases & Easement Fees	\$12,500	\$12,500	\$11,717	\$783
041.310.53600.12000	Salaries	\$857,928	\$857,928	\$857,927	\$0
041.310.53600.12001	Payroll Payout Vacation	\$0	\$0	\$30,356	(\$30,356)
041.310.53600.12100	Consulting Fees	\$0	\$0	\$4,000	(\$4,000)
041.310.53600.21000	FICA Taxes	\$76,132	\$76,132	\$66,613	\$9,520
041.310.53600.22000	Pension Plan	\$68,634	\$68,634	\$71,773	(\$3,138)
041.310.53600.23000	Insurance Benefits (Medical)	\$195,572	\$195,572	\$93,496	\$102,076
041.310.53600.24000	Workers Compensation Insurance	\$19,080	\$19,080	\$23,706	(\$4,626)
041.310.53600.25000	Unemployment Benefits	\$5,000	\$5,000	\$1,375	\$3,625
041.310.53600.25000	Bad Debt Expense	\$1,000	\$1,000	\$0	\$1,000
041.310.53600.41000	Telephone	\$50,000	\$50,000	\$36,908	\$13,092
041.310.53600.41002	Payment Processing Service	\$9,000	\$9,000	\$11,591	(\$2,591)
041.310.53600.44000	Equipment Rentals & Leases	\$7,000	\$7,000	\$5,896	\$1,104
041.310.53600.45000	Insurance	\$112,433	\$112,433	\$96,366	\$16,067
041.310.53600.46100	Repair and Maintenance for Vehicles	\$20,000	\$20,000	\$11,030	\$8,970
041.310.53600.52000	Supplies/Equipment General	\$7,000	\$7,000	\$6,166	\$834
041.310.53600.52010	Tools	\$6,000	\$6,000	\$6,427	(\$427)
041.310.53600.52055	Uniforms/Supplies/Services	\$12,000	\$12,000	\$14,544	(\$2,544)
041.310.53600.52100	Fuel for Vehicles	\$9,500	\$9,500	\$9,581	(\$81)
041.310.53600.54100	Training & Travel Expenses	\$9,000	\$9,000	\$7,580	\$1,420
TOTAL ADMINISTRATIVE		\$1,706,569	\$1,706,569	\$1,553,199	\$153,370

DUNES COMMUNITY DEVELOPMENT DISTRICT

Water and Sewer Fund-Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position For the Period Ended September 30, 2021

EXPENDITURE CODE	DESCRIPTION	WATER/SEWER FUND BUDGET	PRORATED BUDGET THRU 09/30/21	ACTUAL THRU 09/30/21	VARIANCE
<u>Water System</u>					
041.320.53600.34800	Water Quality Testing	\$25,000	\$25,000	\$12,810	\$12,190
041.320.53600.43000	Electric	\$125,000	\$125,000	\$107,878	\$17,122
041.320.53600.43100	Bulk Water Purchases	\$20,000	\$20,000	\$7,111	\$12,889
041.320.53600.44000	Equipment Rentals & Leases	\$1,000	\$1,000	\$0	\$1,000
041.320.53600.46000	Plant Maintenance Repair and Equipment	\$90,000	\$90,000	\$142,622	(\$52,622)
041.320.53600.46050	Distribution System Maintenance Repair and Equip.	\$25,000	\$25,000	\$31,506	(\$6,506)
041.320.53600.52000	Plant Operating Supplies	\$20,000	\$20,000	\$18,682	\$1,318
041.320.53600.52200	Chlorine & Other Chemicals	\$190,000	\$190,000	\$202,941	(\$12,941)
041.320.53600.61000	Meters New & Replacement	\$50,000	\$50,000	\$32,160	\$17,840
TOTAL WATER SYSTEM		\$546,000	\$546,000	\$555,710	(\$9,710)
<u>Sewer System</u>					
041.330.53600.34800	Water Quality Testing	\$15,000	\$15,000	\$26,055	(\$11,055)
041.330.53600.34900	Sludge Disposal	\$33,000	\$33,000	\$57,592	(\$24,592)
041.330.53600.43000	Electric	\$51,000	\$51,000	\$62,218	(\$11,218)
041.330.53600.44000	Equipment Rentals & Leases	\$3,000	\$3,000	\$0	\$3,000
041.330.53600.46000	Plant Maintenance Repair and Equipment	\$135,000	\$135,000	\$159,470	(\$24,470)
041.330.53600.46050	Collection System Maintenance Repair and Equip.	\$20,000	\$20,000	\$6,086	\$13,914
041.330.53600.46075	Lift Station Repair and Maintenance	\$45,000	\$45,000	\$41,857	\$3,143
041.330.53600.52000	Plant Operating Supplies	\$20,000	\$20,000	\$5,247	\$14,753
041.330.53600.52200	Chlorine & Other Chemicals	\$35,000	\$35,000	\$28,421	\$6,579
TOTAL SEWER SYSTEM		\$357,000	\$357,000	\$386,945	(\$29,945)
<u>Irrigation System</u>					
041.340.53600.34800	Water Quality Testing	\$5,000	\$5,000	\$1,332	\$3,668
041.340.53600.43000	Electric	\$50,000	\$50,000	\$76,259	(\$26,259)
041.340.53600.43300	Effluent (Reclaimed Water) Purchases	\$180,000	\$180,000	\$130,300	\$49,700
041.340.53600.44000	Equipment Rentals & Leases	\$30,000	\$30,000	\$30,471	(\$471)
041.340.53600.46000	Plant Maintenance Repair and Equipment	\$80,000	\$80,000	\$69,558	\$10,442
041.340.53600.46050	Distribution System Maintenance Repair/Equip.	\$25,000	\$25,000	\$12,058	\$12,942
041.340.53600.61000	Meters New & Replacement	\$60,000	\$60,000	\$35,289	\$24,711
TOTAL IRRIGATION SYSTEM		\$430,000	\$430,000	\$355,267	\$74,733
<u>Contribution to Reserves</u>					
041.310.51300.63100	Renewal and Replacement	\$236,400	\$236,400	\$132,271	\$104,129
TOTAL CONTRIBUTIONS TO RESERVES		\$236,400	\$236,400	\$132,271	\$104,129
TOTAL OPERATING EXPENSES		\$3,275,969	\$3,275,969	\$2,983,392	\$292,577
OPERATING INCOME (LOSS)		(\$210,349)	(\$210,349)	\$313,337	\$523,686
<u>NON OPERATING REVENUE (EXPENSES)</u>					
041.300.36900.10200	Non Operating Revenue - Capital Expansion	\$536,349	\$536,349	\$0	(\$536,349)
041.300.22300.10000	Connection Fees - W/S	(\$21,000)	(\$21,000)	\$0	\$21,000
041.300.36100.10000	Interest Income	\$125,000	\$125,000	\$6,540	(\$118,460)
041.310.51300.64000	Capital Improvements	(\$430,000)	(\$430,000)	(\$435,000)	(\$5,000)
TOTAL NON OPERATING REVENUE (EXPENSES)		\$210,349	\$210,349	(\$428,459)	(\$638,809)
CHANGE IN NET POSITION		\$0	\$0	(\$115,123)	(\$115,123)
TOTAL NET POSITION - BEGINNING		\$0		\$26,281,475	
NOTAL NET POSITION - ENDING		\$0		\$26,166,353	

DUNES COMMUNITY DEVELOPMENT DISTRICT

Bridge Fund - Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

For the Period Ended September 30, 2021

EXPENSE CODE	DESCRIPTION	BRIDGE FUND BUDGET	PRORATED BUDGET THRU 09/30/21	ACTUAL THRU 09/30/21	VARIANCE
OPERATING REVENUES:					
042.300.34900.10000	Toll Collections/Book Sales	\$1,695,750	\$1,695,750	\$1,908,953	\$213,203
042.300.36900.10000	Miscellaneous Income	\$14,000	\$14,000	\$20,588	\$6,588
TOTAL OPERATING REVENUES		\$1,709,750	\$1,709,750	\$1,929,541	\$219,791
OPERATING EXPENSES					
<u>Administrative</u>					
042.310.51300.31100	Engineering	\$5,000	\$5,000	\$0	\$5,000
042.310.51300.31500	Attorney	\$10,000	\$10,000	\$2,944	\$7,056
042.310.51300.32200	Annual Audit	\$6,020	\$6,020	\$6,020	\$0
042.310.51300.34000	Management Fees	\$17,150	\$17,150	\$17,150	(\$0)
042.310.51300.49000	Bank Charges	\$4,500	\$4,500	\$5,322	(\$822)
042.310.51300.49100	Contingencies	\$5,000	\$5,000	\$1,680	\$3,320
TOTAL ADMINISTRATIVE		\$47,670	\$47,670	\$33,116	\$14,554
<u>Toll Facility</u>					
042.320.54900.12000	Salaries	\$505,487	\$505,487	\$504,670	\$817
042.320.54900.21000	FICA Taxes	\$43,326	\$43,326	\$41,278	\$2,048
042.320.54900.22000	Pension Plan	\$30,434	\$30,434	\$30,713	(\$279)
042.320.54900.23000	Insurance Benefits (Medical)	\$84,948	\$84,948	\$49,869	\$35,079
042.320.54900.24000	Workers Compensation Insurance	\$13,320	\$13,320	\$16,447	(\$3,127)
042.320.54900.34300	Contractual Support	\$70,000	\$70,000	\$74,256	(\$4,256)
042.320.54900.34500	Payroll Processing Fee	\$32,000	\$32,000	\$32,941	(\$941)
042.320.54900.34600	Credit Card Processing Fee	\$24,000	\$24,000	\$30,077	(\$6,077)
042.320.54900.40000	Travel Expenses	\$1,000	\$1,000	\$0	\$1,000
042.320.54900.41000	Telephone	\$6,000	\$6,000	\$4,887	\$1,113
042.320.54900.42500	Printing	\$5,000	\$5,000	\$6,925	(\$1,925)
042.320.54900.43000	Utility Services	\$18,000	\$18,000	\$18,247	(\$247)
042.320.54900.45000	Insurance	\$86,487	\$86,487	\$74,760	\$11,727
042.320.54900.46000	Repairs & Maintenance	\$85,000	\$85,000	\$61,419	\$23,581
042.320.54900.46002	Repairs & Maintenance-Parkway	\$170,000	\$170,000	\$154,501	\$15,499
042.320.54900.46100	DOT mandated Bridge Inspection (Required in 2021)	\$25,000	\$25,000	\$0	\$25,000
042.320.54900.51000	Office Supplies	\$4,000	\$4,000	\$2,494	\$1,506
042.320.54900.52000	Operating Supplies	\$22,000	\$22,000	\$21,848	\$152
TOTAL TOLL FACILITY		\$1,226,002	\$1,226,002	\$1,125,333	\$100,669
<u>Maintenance Reserves & Community Projects</u>					
042.310.51300.60002	Parkway Capital Expenditures	\$25,000	\$25,000	\$0	\$25,000
TOTAL MAINTENANCE RESERVES & COMMUNITY PROJECTS		\$25,000	\$25,000	\$0	\$25,000
TOTAL OPERATING EXPENSES		\$1,298,672	\$1,298,672	\$1,158,449	\$140,223
OPERATING INCOME (LOSS)		\$411,078	\$411,078	\$771,092	\$360,014
<u>NON OPERATING REVENUE (EXPENSES)</u>					
042.300.36100.11000	Interest Income	\$200,000	\$200,000	\$16,874	(\$183,126)
042.320.54900.64000	Capital Improvements	(\$1,700,000)	(\$1,700,000)	(\$875,568)	\$824,432
042.300.38300.10000	Intergovernmental Transfer	\$1,506,372	\$1,506,372	\$0	(\$1,506,372)
042.300.38100.10000	Transfer to General Fund	(\$417,450)	(\$417,450)	(\$417,450)	\$0
TOTAL NON OPERATING REVENUE (EXPENSES)		(\$411,078)	(\$411,078)	(\$1,276,144)	(\$865,066)
CHANGE IN NET POSITION		(\$0)	(\$0)	(\$505,052)	(\$505,052)
TOTAL NET POSITION - BEGINNING		\$437,218		\$17,181,072	
NOTAL NET POSITION - ENDING		\$437,218		\$16,676,020	

L.

Dunes CDD

Special Assessment Receipts Fiscal Year Ending September 30, 2021

Date Received	Gross Assessments Received	Discounts/ Penalties	Commissions Paid	Interest Income	Net Amount Received	\$197,000.00 General Fund 100%	\$197,000.00 Total 100%
11/17/20	\$42,240.20	\$1,700.34	\$810.80	\$0.00	\$39,729.06	\$39,729.06	\$39,729.06
12/02/20	\$94,291.39	\$3,772.86	\$1,810.37	\$0.00	\$88,708.16	\$88,708.16	\$88,708.16
12/16/20	\$35,335.78	\$1,376.93	\$679.18	\$0.00	\$33,279.67	\$33,279.67	\$33,279.67
1/5/21	\$7,624.53	\$228.34	\$147.92	\$0.00	\$7,248.27	\$7,248.27	\$7,248.27
1/31/21	\$5,486.08	\$121.22	\$107.30	\$0.00	\$5,257.56	\$5,257.56	\$5,257.56
2/28/21	\$2,749.83	\$35.73	\$54.28	\$0.00	\$2,659.82	\$2,659.82	\$2,659.82
3/31/21	\$4,849.74	\$3.95	\$96.92	\$0.00	\$4,748.87	\$4,748.87	\$4,748.87
4/21/21	\$0.00	\$0.00	(\$118.95)	\$0.00	\$118.95	\$118.95	\$118.95
5/5/21	\$1,884.14	(\$43.91)	\$38.56	\$0.00	\$1,889.49	\$1,889.49	\$1,889.49
6/8/21	\$551.14	(\$16.51)	\$11.35	\$0.00	\$556.30	\$556.30	\$556.30
6/22/21	\$2,004.37	(\$90.26)	\$41.89	\$0.00	\$2,052.74	\$2,052.74	\$2,052.74
7/12/21	\$0.00	\$0.00	\$0.00	\$19.82	\$19.82	\$19.82	\$19.82
	\$197,017.20	\$7,088.69	\$3,679.62	\$19.82	\$186,268.71	\$186,268.71	\$186,268.71

Percent Collected 100.01%

M.

DUNES COMMUNITY DEVELOPMENT DISTRICT

Check Run Summary

September 30, 2021

<i>Fund</i>	<i>Check Numbers</i>	<i>Amount</i>
General Fund	6489-6504	\$26,893.91
Water and Sewer	17541-17631	\$562,714.81
Bridge Fund	7920-7949	\$59,445.92
<i>Total</i>		<i>\$649,054.64</i>

*** CHECK DATES 09/01/2021 - 09/30/2021 ***
DUNES CDD - GENERAL FUND
BANK F DUNES - GENERAL FUND

DATE CHECK	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
9/02/21	00230	8/21/21 3301	202108 320-53800-46000		*	542.77	
		SVCS 08/21					
		8/21/21 3302	202108 320-53800-46000		*	1,087.95	
		SVCS 08/21					
ADVANCED ACCESS SOLUTIONS, LLC							1,630.72 006489
9/02/21	00282	8/27/21 1245	202108 320-53800-46200		*	375.00	
		MAINT 08/21					
AFFORDABLE LAWN & LANDSCAPING, INC.							375.00 006490
9/02/21	00194	8/24/21 R515171	202108 320-53800-46000		*	1,350.00	
		SVCS 08/21					
ALL AMERICAN AIR CONDITIONING							1,350.00 006491
9/02/21	00004	7/21/21 3988451	202107 300-20700-10100		*	743.25-	
		LEGAL ADS					
		7/21/21 3988451	202107 310-51300-48000		*	210.50	
		LEGAL ADS					
		7/21/21 3988451	202107 310-51300-48000		*	743.25	
		LEGAL ADS					
		7/21/21 3988451	202107 300-13100-10100		*	743.25	
		LEGAL ADS					
DAYTONA BEACH NEWS-JOURNAL							953.75 006492
9/02/21	00141	8/25/21 85197930	202109 320-53800-46000		*	636.18	
		SVCS 09/21					
		8/25/21 85201210	202109 320-53800-46000		*	183.29	
		SVCS 09/21					
WASTE MANAGEMENT INC. OF FLORIDA							819.47 006493
9/09/21	00218	9/07/21 8125	202109 320-53800-46000		*	200.00	
		SVCS 09/21					
ABOVE THE REST PEST CONTROL							200.00 006494
9/09/21	00020	8/30/21 00560-08	202108 320-53800-43000		*	165.88	
		SVCS 08/21					
		8/30/21 03229-08	202108 320-53800-43000		*	169.94	
		SVCS 08/21					
		8/30/21 22538-08	202108 320-53800-43000		*	156.26	
		SVCS 08/21					
		8/30/21 74516-08	202108 320-53800-43000		*	415.99	
		SVCS 08/21					
		8/30/21 84228-08	202108 320-53800-43000		*	10.88	
		SVCS 08/21					
FLORIDA POWER & LIGHT CO.							918.95 006495

DUNE -DUNES -				SHENNING			

*** CHECK DATES 09/01/2021 - 09/30/2021 ***
DUNES CDD - GENERAL FUND
BANK F DUNES - GENERAL FUND

DATE CHECK	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
9/09/21	00107	8/31/21 69324	202108 320-53800-46500		*	5,394.00	
		SVCS 08/21		FUTURE HORIZONS, INC.			5,394.00 006496
9/16/21	00027	9/14/21 74998610	202109 310-51300-42000		*	176.62	
		DELIVERIES THRU 09/08/21					
		9/14/21 74998610	202109 310-51300-42000		*	63.87	
		DELIVERIES THRU 09/08/21					
		9/14/21 74998610	202109 300-13100-10100		*	63.87	
		DELIVERIES THRU 09/08/21					
		9/14/21 74998610	202109 300-20700-10100		*	63.87-	
		DELIVERIES THRU 09/08/21					
				FEDEX			240.49 006497
9/16/21	00109	9/01/21 584	202109 310-51300-34000		*	816.67	
		MGMT FEES 09/21					
		9/01/21 584	202109 310-51300-35100		*	83.33	
		INFORMATION TECHNOLOGY					
		9/01/21 584	202109 310-51300-51000		*	30.98	
		OFFICE SUPPLIES					
		9/01/21 584	202109 310-51300-42000		*	16.45	
		POSTAGE					
		9/01/21 584	202109 310-51300-42500		*	291.90	
		COPIES					
				GOVERNMENTAL MANAGEMENT SERVICES			1,239.33 006498
9/23/21	00218	9/20/21 8166	202109 320-53800-46000		*	200.00	
		SVCS 09/21					
				ABOVE THE REST PEST CONTROL			200.00 006499
9/23/21	00129	9/16/21 11773	202108 310-51300-31500		*	93.50	
		SVCS 08/21					
		9/16/21 11774	202108 310-51300-31500		*	3,650.75	
		SVCS 08/21					
				CHIUMENTO LAW PLLC			3,744.25 006500
9/23/21	00291	9/05/21 09052021	202109 320-53800-46500		*	145.00	
		SVCS 09/21					
				LIBERTY FENCING INC			145.00 006501
9/30/21	00214	9/26/21 3077	202109 300-13100-10100		*	487.14	
		SVCS 09/21					
		9/26/21 3077	202109 320-53800-46000		*	243.56	
		SVCS 09/21					
		9/26/21 3077	202109 320-53600-46000		*	243.57	
		SVCS 09/21					

DUNE -DUNES - SHENNING

DATE CHECK	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
		9/26/21 3077	202109 330-53600-46000		*	243.57	
		SVCS 09/21					
		9/26/21 3077	202109 300-20700-10100		*	487.14-	
		SVCS 09/21					
				ALL SEASON HOME SOLUTION LLC			730.70 006502
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -
9/30/21 00154	9/24/21 3734	202109 320-53800-46700			*	8,102.25	
		STORM DRAIN REPAIR					
				TOMOKA CONSTRUCTION SERVICES, INC.			8,102.25 006503
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -
9/30/21 00262	9/13/21 1187	202109 320-53800-46000			*	850.00	
		SVCS 09/21					
				VALMIK WATERPROOFING SYSTEMS AND			850.00 006504
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -
				TOTAL FOR BANK F		26,893.91	
				TOTAL FOR REGISTER		26,893.91	

AP300R	YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN 11/04/21	PAGE 1
*** CHECK DATES 09/01/2021 - 09/30/2021 ***	DUNES CDD - WATER/SEWER											
	BANK D DUNES - WATER/SEWER											

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
9/02/21 01675		9/01/21 09012021	202109 300-34300-30100		*	14.69	
			REFUND-CRDT BAL CLSD ACCT	DAVID ASHMAN			14.69 017541
9/02/21 01676		9/01/21 09012021	202109 300-34300-30000		*	48.50	
			REFUND-CLSD ACCT	JAMES M DOYLE & DENISE ASSOIGNA			48.50 017542
9/02/21 01677		9/01/21 09012021	202109 300-34300-30000		*	8.39	
			REFUND-CLSD ACCT	JOSEPH A FIELDS			8.39 017543
9/02/21 00618		8/31/21 08312021	202108 310-51300-54000		*	75.00	
			APPL.WATER DISTRIBUTION	FLORIDA DEPARTMENT OF ENVIRONMENTAL			75.00 017544
9/02/21 01678		9/01/21 09012021	202109 300-34300-30100		*	14.96	
			REFUND-CRDT BAL CLSD ACCT	HOFFMAN FAMILY LLP			14.96 017545
9/02/21 01486		9/01/21 09012021	202109 300-34300-30100		*	29.38	
			REFUND-CRDT BAL CLSD ACCT	FRANK & NINFIA LASPISA			29.38 017546
9/02/21 01679		9/01/21 09012021	202109 300-34300-30000		*	150.48	
			REFUND-CLSD ACCT	LH INVESTMENT TRUST			150.48 017547
9/02/21 01680		9/01/21 09012021	202109 300-34300-30100		*	14.69	
			REFUND-CRDT BAL CLSD ACCT	KEVIN & JENNIFER OPDAHL			14.69 017548
9/02/21 01681		9/01/21 09012021	202109 300-34300-30000		*	57.15	
			REFUND-CLSD ACCT	SANDRA RHODES			57.15 017549
9/02/21 01682		9/01/21 09012021	202109 300-34300-30000		*	44.66	
			REFUND-CLSD ACCT	DANIEL & VICTORIA SALVANO			44.66 017550
9/02/21 01603		9/01/21 09012021	202109 300-34300-30000		*	44.08	
			REFUND-CLSD ACCT	JERRY D SAUERS			44.08 017551
9/02/21 01334		8/31/21 08312021	202108 310-53600-54100		*	720.00	
			WASTEWATER CLASS A REVIEW	ERIC STODOLA			720.00 017552

				DUNE -DUNES -				SHENNING
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*** CHECK DATES 09/01/2021 - 09/30/2021 ***
DUNES CDD - WATER/SEWER
BANK D DUNES - WATER/SEWER

DATE CHECK	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
9/02/21	00028	8/03/21 33659 SUPPLIES	202108 320-53600-52000		*	200.87	
		8/20/21 33692 SUPPLIES	202108 320-53600-52000		*	53.07	
				HAMMOCK HARDWARE & SUPPLY, INC.			253.94 017560
9/02/21	00515	8/26/21 6009499 CALCIUM CHLORIDE	202108 320-53600-52200		*	4,264.67	
		8/26/21 6009743 ULTRA CHLOR	202108 320-53600-52200		*	132.00	
				HAWKINS, INC.			4,396.67 017561
9/02/21	01244	8/25/21 6267 SUPPLIES	202108 330-53600-34900		*	733.50	
				KED GROUP, INC.			733.50 017562
9/02/21	01247	8/20/21 12226612 COPIER LEASE	202108 310-53600-44000		*	157.54	
				LEAF			157.54 017563
9/02/21	01138	8/18/21 67359824 CO2 BULK	202108 320-53600-52200		*	338.79	
				NUCO2			338.79 017564
9/02/21	00688	8/19/21 369539 HYPOCHLORITE SOLUTIONS	202108 320-53600-52200		*	807.53	
		8/19/21 369539 HYPOCHLORITE SOLUTIONS	202108 330-53600-52200		*	403.76	
				ODYSSEY MANUFACTURING COMPANY			1,211.29 017565
9/02/21	01511	8/27/21 10827202 SVCS 08/21	202108 320-53600-46000		*	3,333.34	
		8/27/21 10827202 SVCS 08/21	202108 330-53600-46000		*	3,333.33	
		8/27/21 10827202 SVCS 08/21	202108 340-53600-46000		*	3,333.33	
				PRO CONTROLS & AUTOMATION			10,000.00 017566
9/02/21	01271	8/26/21 15630-08 RETAINAGE	202108 310-51300-64012		*	9,300.00	
				UNIVERSAL BLOWER PAC INC			9,300.00 017567
9/09/21	00613	8/31/21 637435 WATER TESTING	202108 320-53600-34800		*	596.00	
		8/31/21 637436 DRINKING WATER	202108 320-53600-34800		*	2,422.05	

DUNE -DUNES - SHENNING

DATE CHECK	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		8/31/21	637437 202108 330-53600-34800	WASTE WATER	*	1,676.00	
				ADVANCED ENVIRONMENTAL LABORATORIES			4,694.05 017568
9/09/21	00112	8/26/21	429555-0 202109 310-53600-52000	WATER COOLER RENTAL	*	68.77	
				CULLIGAN WATER PRODUCTS			68.77 017569
9/09/21	01265	8/31/21	157329 202108 310-53600-44000	COPIER LEASE	*	123.34	
		8/31/21	157330 202108 310-53600-44000	COPIER LEASE	*	41.93	
		8/31/21	157331 202108 310-53600-44000	COPIER LEASE	*	70.73	
				DOCUMENT TECHNOLOGIES			236.00 017570
9/09/21	00219	8/16/21	7100 202108 310-51300-54000	MEMBERSHIP RENEWAL	*	560.00	
				FLORIDA RURAL WATER ASSOCIATION			560.00 017571
9/09/21	00013	8/20/21	06441-08 202108 330-53600-43000	SVCS 08/21	*	232.74	
		8/30/21	00180-08 202108 330-53600-43000	SVCS 08/21	*	35.34	
		8/30/21	01669-08 202108 330-53600-43000	SVCS 08/21	*	57.99	
		8/30/21	06618-08 202108 330-53600-43000	SVCS 08/21	*	50.09	
		8/30/21	06682-08 202108 330-53600-43000	SVCS 08/21	*	12.33	
		8/30/21	09639-08 202108 320-53600-43000	SVCS 08/21	*	18.21	
		8/30/21	09681-08 202108 330-53600-43000	SVCS 08/21	*	57.99	
		8/30/21	10476-08 202108 330-53600-43000	SVCS 08/21	*	14.24	
		8/30/21	13564-08 202108 340-53600-43000	SVCS 08/21	*	10.88	
		8/30/21	31053-08 202108 330-53600-43000	SVCS 08/21	*	15.50	
		8/30/21	35422-08 202108 340-53600-43000	SVCS 08/21	*	4,315.34	
		8/30/21	38339-08 202108 320-53600-43000	SVCS 08/21	*	9,393.79	
		8/30/21	41474-08 202108 330-53600-43000	SVCS 08/21	*	26.01	

DUNE -DUNES - SHENNING

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		8/30/21	54287-08 202108 330-53600-43000 SVCS 08/21		*	1,626.31	
		8/30/21	54554-08 202108 330-53600-43000 SVCS 08/21		*	15.30	
		8/30/21	64405-08 202108 330-53600-43000 SVCS 08/21		*	12.81	
		8/30/21	80187-08 202108 330-53600-43000 SVCS 08/21		*	17.44	
		8/30/21	83014-08 202108 330-53600-43000 SVCS 08/21		*	64.25	
		8/30/21	89460-08 202108 330-53600-43000 SVCS 08/21		*	3,148.14	
		8/30/21	94444-08 202108 330-53600-43000 SVCS 08/21		*	44.41	
				FLORIDA POWER & LIGHT CO.			19,169.11 017573
9/09/21	00515	9/02/21	6014638 202109 320-53600-52200 SODIUM HYDROXIDE		*	1,837.51	
				HAWKINS, INC.			1,837.51 017574
9/09/21	00688	8/26/21	370242 202108 320-53600-52200 HYPOCHLORITE SOLUTIONS		*	832.45	
		8/26/21	370242 202108 330-53600-52200 HYPOCHLORITE SOLUTIONS		*	416.22	
				ODYSSEY MANUFACTURING COMPANY			1,248.67 017575
9/09/21	00569	8/30/21	25973 202108 330-53600-34900 RINSE DEWATERING BOX		*	2,000.00	
		8/30/21	25974 202108 330-53600-34900 RINSE DEWATERING BOX		*	2,000.00	
				ORMOND SEPTIC SYSTEMS			4,000.00 017576
9/09/21	00698	9/03/21	75501 202108 310-53600-46100 VEHICLE REPAIRS/MAINT		*	350.05	
				PALM COAST AUTO REPAIR			350.05 017577
9/09/21	00497	8/26/21	2888766 202108 320-53600-46000 DIESEL		*	354.51	
		9/01/21	2892613 202109 320-53600-46000 DIESEL		*	493.77	
				PORT CONSOLIDATED			848.28 017578
9/09/21	01205	8/02/21	2144801 202108 300-20700-10000 SUPPLIES		*	119.98	
		8/02/21	2144801 202108 320-54900-52000 SUPPLIES		*	119.98	

DUNE -DUNES - SHENNING

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
		8/02/21	2144801 202108 300-13100-10000 SUPPLIES		*	119.98-	
		8/03/21	3963701 202108 310-51300-51000 SUPPLIES		*	99.62	
		8/18/21	6015101 202108 310-51300-51000 SUPPLIES		*	243.48	
		8/24/21	3751501 202108 310-51300-51000 SUPPLIES		*	160.81	
				STAPLES BUSINESS CREDIT			623.89 017579
9/09/21 00020	9/01/21	80581 202109 330-53600-46050 SUPPLIES			*	1,997.10	
	9/02/21	80595 202109 320-53600-46050 SUPPLIES			*	649.92	
				SUNSTATE METER AND SUPPLY, INC.			2,647.02 017580
9/09/21 01498	9/01/21	11365540 202109 310-53600-41000 SVCS 09/21			*	375.00	
				TIME WARNER CABLE			375.00 017581
9/09/21 00214	8/30/21	712198 202108 330-53600-52000 SUBMERSIBLE PUMP			*	1,959.60	
				USA BLUEBOOK			1,959.60 017582
9/09/21 01289	9/02/21	3094 202109 310-51300-49100 WEB MAINT 09/21			*	146.00	
				VGLOBALTECH			146.00 017583
9/16/21 01374	9/08/21	1264 202108 310-51300-64003 MAINT 08/21			*	647.50	
				AFFORDABLE LAWN & LANDSCAPING			647.50 017584
9/16/21 01685	9/15/21	09152021 202109 300-34300-30100 REFUND-CRDT BAL CLSD ACCT			*	14.69	
				ALSH INVESTMENTS LLC			14.69 017585
9/16/21 00592	9/14/21	09142021 202109 310-51300-54000 WASTEWATER CLASS A LICENS			*	100.00	
				DEPARTMENT OF ENVIRONMENTAL			100.00 017586
9/16/21 00047	9/07/21	74925253 202109 310-51300-42000 DELIVERIES THRU 09/01/21			*	65.37	
				FEDEX			65.37 017587
9/16/21 01222	8/31/21	6150 202108 320-53600-46050 FIRE BACKFLOW INSPECTIONS			*	4,050.00	
				FORTITUDE FIRE PROTECTION LLC			4,050.00 017588
				DUNE -DUNES - SHENNING			

*** CHECK DATES 09/01/2021 - 09/30/2021 ***
DUNES CDD - WATER/SEWER
BANK D DUNES - WATER/SEWER

DATE CHECK	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
9/16/21	01686	9/15/21 09152021	202109 300-34300-30100		*	14.69	
		REFUND-CRDT BAL CLSD ACCT		BOBBY & DIANNE GOLDSBORO			14.69 017589
9/16/21	00382	9/01/21 585	202109 310-51300-34000		*	1,837.50	
		MGMT FEES-09/21		GOVERNMENTAL MANAGEMENT SERVICES			1,837.50 017590
9/16/21	00123	9/01/21 12621408	202109 300-15500-10000		*	9,254.00	
		SUPPLIES		HACH COMPANY			9,254.00 017591
9/16/21	00515	9/10/21 6019251	202109 320-53600-52200		*	3,658.17	
		CALCIUM CHLORIDE		HAWKINS, INC.			3,658.17 017592
9/16/21	00688	9/02/21 370793	202109 320-53600-52200		*	906.61	
		HYPOCHLORITE SOLUTIONS			*	453.31	
		9/02/21 370793	202109 330-53600-52200		*	807.53	
		HYPOCHLORITE SOLUTIONS			*	403.76	
		9/09/21 371363	202109 320-53600-52200		*		
		HYPOCHLORITE SOLUTIONS		ODYSSEY MANUFACTURING COMPANY			2,571.21 017593
9/16/21	01616	8/11/21 51047	202108 310-51300-51000		*	41.93	
		SUPPLIES			*	24.96	
		8/25/21 2029731	202108 310-51300-51000		*		
		SUPPLIES		STAPLES CREDIT PLAN			66.89 017594
9/23/21	01195	9/16/21 10872	202109 300-15500-10000		*	93.00	
		SVCS 10/21		ANSWER ALL ANSWERING SERVICE			93.00 017595
9/23/21	00355	9/01/21 28728975	202108 310-53600-41000		*	419.89	
		SVCS 08/21		AT&T MOBILITY			419.89 017596
9/23/21	01145	9/18/21 393732	202109 330-53600-46075		*	3,175.00	
		SVCS 09/21		BROWNIE'S SEPTIC AND PLUMBING			3,175.00 017597
9/23/21	00542	9/02/21 127010	202108 310-51300-31100		*	2,500.00	
		SVCS THRU 08/15/21					

DUNE -DUNES - SHENNING

*** CHECK DATES 09/01/2021 - 09/30/2021 ***
DUNES CDD - WATER/SEWER
BANK D DUNES - WATER/SEWER

DATE CHECK	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		9/17/21	126737 202108 310-51300-64003		*	103.80	
			SVCS THRU 08/15/21				
		9/17/21	126738 202108 310-51300-64003		*	350.00	
			SVCS THRU 08/15/21				
				CPH ENGINEERS, INC.			2,953.80 017598
- - - - -	9/23/21 01405	8/18/21	4044196 202108 310-51300-48000		*	773.78	
			LEGAL ADS				
				DAYTONA BEACH NEWS-JOURNAL			773.78 017599
- - - - -	9/23/21 00047	9/21/21	75077728 202109 310-51300-42000		*	34.86	
			DELIVERIES THRU 09/15/21				
				FEDEX			34.86 017600
- - - - -	9/23/21 00372	9/14/21	09142021 202109 300-22300-10000		*	28,100.00	
			BI-ANNU CONNECTION FEE				
		9/14/21	09142021 202109 300-36900-10000		*	260.00-	
			BI-ANNU CONNECTION FEE				
				HAMMOCK DUNES OWNERS ASSOC. INC.			27,840.00 017601
- - - - -	9/23/21 00515	9/16/21	6023188 202109 320-53600-52200		*	3,646.37	
			CALCIUM CHLORIDE				
				HAWKINS, INC.			3,646.37 017602
- - - - -	9/23/21 00298	8/24/21	6610430 202108 300-13100-10000		*	152.10	
			SUPPLIES				
		8/24/21	6610430 202108 320-53800-46000		*	152.10	
			SUPPLIES				
		8/24/21	6610430 202108 300-20700-10100		*	152.10-	
			SUPPLIES				
		8/30/21	41220 202108 310-53600-52010		*	124.78	
			SUPPLIES				
				HOME DEPOT CREDIT SERVICES			276.88 017603
- - - - -	9/23/21 01138	8/31/21	67491987 202108 320-53600-52000		*	825.07	
			CO2 BULK				
				NUCO2			825.07 017604
- - - - -	9/23/21 00603	9/16/21	113460 202108 310-53600-44000		*	48.40	
			COPIER LEASE				
				SMART TECHNOLOGIES			48.40 017605
- - - - -	9/23/21 00020	9/16/21	80783 202109 320-53600-61000		*	2,311.47	
			SUPPLIES				
				SUNSTATE METER AND SUPPLY, INC.			2,311.47 017606
- - - - -							
				DUNE -DUNES - SHENNING			

CHECK DATE	VEND#	.....INVOICE.....	...EXPENSED TO...	VENDOR NAME			STATUS	AMOUNT	.....CHECK..... AMOUNT #
		DATE	INVOICE	YRMO	DPT	ACCT# SUB SUBCLASS			
9/23/21	00955	8/02/21	5367673	202109	320-53600-46000		*	123.00	
			PURCHASES THRU 09/10/21						
		8/03/21	3563637	202109	320-53600-46000		*	58.48	
			PURCHASES THRU 09/10/21						
		8/03/21	5796686	202109	320-53600-46000		*	123.00	
			PURCHASES THRU 09/10/21						
		8/12/21	7787576	202109	310-53600-52055		*	21.20-	
			REFUND						
		8/13/21	6675543	202109	320-53600-46000		*	136.12	
			PURCHASES THRU 09/10/21						
		8/17/21	8633857	202109	310-53600-52055		*	125.91-	
			REFUND						
		8/18/21	3653334	202109	300-15500-10000		*	263.85	
			PURCHASES THRU 09/10/21						
		8/18/21	48344636	202109	300-15500-10000		*	116.39	
			PURCHASES 09/10/21						
		8/18/21	65978999	202109	300-15500-10000		*	131.88	
			PURCHASES THRU 09/10/21						
		8/18/21	68635368	202109	300-15500-10000		*	1,184.53	
			PURCHASES THRU 09/10/21						
		8/19/21	3839453	202109	300-15500-10000		*	822.51	
			PURCHASES THRU 09/10/21						
		8/19/21	4739498	202109	300-15500-10000		*	168.28	
			PURCHASES THRU 09/10/21						
		8/19/21	5459698	202109	320-53600-46000		*	9.04	
			PURCHASES THRU 09/10/21						
		8/19/21	5563874	202109	300-15500-10000		*	160.21	
			PURCHASES THRU 09/10/21						
		8/19/21	6439367	202109	300-15500-10000		*	313.23	
			PURCHASES THRU 09/10/21						
		8/19/21	7935454	202109	320-53600-46000		*	80.20	
			PURCHASES THRU 09/10/21						
		8/20/21	9653754	202109	300-15500-10000		*	294.44	
			PURCHASES THRU 09/10/21						
		8/20/21	9676448	202109	300-15500-10000		*	28.76	
			PURCHASES THRU 09/10/21						
		8/20/21	9695769	202109	300-15500-10000		*	1,076.71	
			PURCHASES THRU 09/10/21						
		8/21/21	9847334	202109	300-15500-10000		*	150.16	
			PURCHASES THRU 09/10/21						
		8/22/21	8793784	202109	300-15500-10000		*	240.32	
			PURCHASES THRU 09/10/21						
		8/23/21	4684658	202109	300-15500-10000		*	74.89	
			PURCHASES THRU 09/10/21						
		8/24/21	6455988	202109	300-15500-10000		*	252.60	
			PURCHASES THRU 09/10/21						

DUNE -DUNES - SHENNING

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
		8/24/21	6939943 202109 300-15500-10000 PURCHASES THRU 09/10/21		*	62.16	
		8/25/21	4395543 202109 340-53600-46000 PURCHASES THRU 09/10/21		*	109.90	
		8/25/21	5374758 202109 340-53600-46000 PURCHASES THRU 09/10/21		*	283.73	
		8/25/21	6563495 202109 300-15500-10000 PURCHASES THRU 09/10/21		*	57.51	
		8/25/21	6657956 202109 320-53600-52000 PURCHASES THRU 09/10/21		*	36.16	
		8/25/21	6956574 202109 340-53600-46000 PURCHASES THRU 09/10/21		*	480.94	
		8/25/21	7558499 202109 340-53600-46000 PURCHASES THRU 09/10/21		*	45.72	
		8/26/21	8655493 202109 320-53600-46000 PURCHASES THRU 09/10/21		*	63.28	
		8/30/21	5865335 202109 300-15500-10000 PURCHASES THRU 09/10/21		*	242.92	
		9/03/21	7748998 202109 340-53600-46000 PURCHASES THRU 09/10/21		*	39.96	
		9/06/21	3794983 202109 300-15500-10000 PURCHASES THRU 09/10/21		*	160.19	
		9/07/21	4886648 202109 310-53600-52000 PURCHASES THRU 09/10/21		*	37.50	
		9/07/21	5337354 202109 310-53600-52000 PURCHASES THRU 09/10/21		*	33.98	
				SYNCB/AMAZON			7,315.44 017609
9/23/21	01287	9/15/21	7402430 202109 300-13100-10000 FUEL		*	666.82	
		9/15/21	7402430 202109 300-20700-10000 FUEL		*	666.82-	
		9/15/21	7402430 202109 310-53600-52100 FUEL		*	666.82	
		9/15/21	7402430 202109 320-54900-46000 FUEL		*	87.01	
		9/15/21	7402430 202109 300-13100-10000 FUEL		V	666.82-	
		9/15/21	7402430 202109 300-20700-10000 FUEL		V	666.82	
		9/15/21	7402430 202109 310-53600-52100 FUEL		V	666.82-	
		9/15/21	7402430 202109 320-54900-46000 FUEL		V	87.01-	
				WEX BANK			.00 017610
				DUNE -DUNES - SHENNING			

AP300R	YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN 11/04/21	PAGE 11
*** CHECK DATES 09/01/2021 - 09/30/2021 ***												
DUNES CDD - WATER/SEWER												
BANK D DUNES - WATER/SEWER												
CHECK												
DATE	VEND#	.....INVOICE.....	...EXPENSED TO...				VENDOR NAME	STATUS	AMOUNT	....CHECK.....	
		DATE INVOICE	YRMO DPT ACCT# SUB SUBCLASS							AMOUNT	#	
9/23/21	00862	9/13/21 3556B895	202109 330-53600-46000					*	10,123.20			
		SUPPLIES										
		9/13/21 40115432	202109 340-53600-44000					*	3,813.51			
		RENTAL THRU 09/20/21										
						XYLEM DEWATERING SOLUTIONS, INC.				13,936.71	017611	
9/23/21	00131	9/22/21 092221	202109 300-15100-10000					*	375,000.00			
		TXFER EXCESS FUNDS TO SBA										
						STATE BOARD OF ADMINISTRATION				375,000.00	017612	
9/30/21	01687	9/28/21 09282021	202109 300-34300-30000					*	5,527.60			
		REFUND-OVERPAID UTILITY										
						DON JOSEPH ALFONSO				5,527.60	017613	
9/30/21	00488	9/28/21 09282021	202109 300-15500-10000					*	1,000.00			
		CONSULT SVC-10/01-3/31/22										
						DAVID L. BOSS				1,000.00	017614	
9/30/21	00453	9/28/21 09282021	202109 310-53600-41000					*	500.00			
		CELLPHONE-05/01-09/01/21										
		9/28/21 09282021	202109 300-15500-10000					*	100.00			
		CELLPHONE ALLOWANCE-10/21										
						CORY BRILL				600.00	017615	
9/30/21	01688	9/28/21 09282021	202109 300-15500-10000					*	275.00			
		MEALS&INCIDENTALS-TRAININ										
						CORY CAVANAUGH				275.00	017616	
9/30/21	01689	9/28/21 09282021	202109 300-15500-10000					*	100.00			
		CELLPHONE ALLOWANCE 10/21										
						EARL A.NASH				100.00	017617	
9/30/21	01171	9/28/21 1021	202109 300-15500-10000					*	500.00			
		VEHICLE ALLOWANCE										
						GREGORY L. PEUGH				500.00	017618	
9/30/21	01245	9/28/21 1021	202109 300-15500-10000					*	300.00			
		VEHICLE ALLOWANCE										
						DAVID C. PONITZ				300.00	017619	
9/30/21	01618	9/30/21 0921	202109 310-53600-12100					*	1,000.00			
		CONSULTANT SVCS 09/21										
						PAUL WASHKO				1,000.00	017620	
9/30/21	00047	9/28/21 75147459	202109 310-51300-42000					*	53.08			
		DELIVERIES THRU 09/22/21										
						FEDEX				53.08	017621	
						DUNE -DUNES -						
						SHENNING						

*** CHECK DATES 09/01/2021 - 09/30/2021 ***
DUNES CDD - WATER/SEWER
BANK D DUNES - WATER/SEWER

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
9/30/21	00013	9/24/21 04682-09	202109 330-53600-43000		*	48.16	
		SVCS 09/21					
		9/24/21 49253-09	202109 330-53600-43000		*	14.55	
		SVCS 09/21					
		9/24/21 90108-09	202109 330-53600-43000		*	12.14	
		SVCS 09/21					
		9/24/21 90294-09	202109 330-53600-43000		*	29.66	
		SVCS 09/21					
		9/24/21 91016-09	202109 330-53600-43000		*	28.23	
		SVCS 09/21					
				FLORIDA POWER & LIGHT CO.			132.74 017622
9/30/21	00028	8/17/21 33686	202108 310-53600-52000		*	50.43	
		SUPPLIES					
		8/24/21 33699	202108 320-53600-52000		*	196.61	
		SUPPLIES					
		9/14/21 33752	202109 320-53600-52000		*	159.67	
		SUPPLIES					
				HAMMOCK HARDWARE & SUPPLY, INC.			406.71 017623
9/30/21	00515	9/23/21 6027971	202109 320-53600-52200		*	3,670.41	
		CALCIUM CHLORIDE					
				HAWKINS, INC.			3,670.41 017624
9/30/21	01247	9/19/21 12340668	202109 310-53600-44000		*	157.54	
		COPIER LEASE					
				LEAF			157.54 017625
9/30/21	00688	9/16/21 371981	202109 320-53600-52200		*	812.27	
		HYPOCHLORITE SOLUTIONS					
		9/16/21 371981	202109 320-53600-52200		*	406.14	
		HYPOCHLORITE SOLUTIONS					
				ODYSSEY MANUFACTURING COMPANY			1,218.41 017626
9/30/21	00569	9/20/21 25991	202109 330-53600-34900		*	2,000.00	
		RINSE DEWATERING BOX					
				ORMOND SEPTIC SYSTEMS			2,000.00 017627
9/30/21	00698	9/24/21 75905	202109 310-53600-46100		*	52.93	
		VEHICLE MAINT & REPAIRS					
				PALM COAST AUTO REPAIR			52.93 017628
9/30/21	00879	9/20/21 TK092021	202109 310-51300-63100		*	14,615.00	
		EQUIPMENT					
				PSI EQUIPMENT, INC.			14,615.00 017629
				DUNE -DUNES -			
				SHENNING			

DATE CHECK	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
9/30/21	00020	9/22/21 80887	202109 340-53600-46050	SUNSTATE METER AND SUPPLY, INC.	*	799.16	799.16 017630
		SUPPLIES					
9/30/21	01287	9/23/21 74333643	202109 310-53600-52100	WEX BANK	*	402.92	402.92 017631
		FUEL					
TOTAL FOR BANK D						562,714.81	
TOTAL FOR REGISTER						562,714.81	

AP300R		YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN 11/04/21		PAGE 1	
*** CHECK DATES 09/01/2021 - 09/30/2021 ***		DUNES CDD - BRIDGE FUND													
		BANK E DUNES - BRIDGE													

DATE CHECK	VEND#	.....INVOICE.....	EXPENSED TO...	VENDOR NAME				STATUS	AMOUNT	.....CHECK.....	
		DATE INVOICE	YRMO DPT ACCT# SUB	SUBCLASS						AMOUNT	#
9/02/21	00354	8/23/21 1242	202108 320-54900-46002				*	95.00			
		MAINT 08/21									
		8/23/21 1243	202108 320-54900-46002				*	1,800.00			
		MAINT 08/21									
										AFFORDABLE LAWN & LANDSCAPING	1,895.00 007920

9/02/21	00120	8/20/21 258939	202108 310-51300-64003				*	2,195.00			
		RENTALS-MESSAGE BOARD									
										BETTER BARRICADES, INC.	2,195.00 007921

9/02/21	00173	8/18/21 4873-082	202108 300-13100-10100				*	267.11			
		PURCHASES									
		8/18/21 4873-082	202108 310-51300-49100				*	267.11			
		PURCHASES									
		8/18/21 4873-082	202108 310-51300-49100				*	527.36			
		PURCHASES									
		8/18/21 4873-082	202108 310-53600-54100				*	702.00			
		PURCHASES									
		8/18/21 4873-082	202108 310-51300-40000				*	1,918.49			
		PURCHASES									
		8/18/21 4873-082	202108 310-53600-52055				*	144.99			
		PURCHASES									
		8/18/21 4873-082	202108 310-51300-54000				*	23.88			
		PURCHASES									
		8/18/21 4873-082	202108 320-54900-34300				*	420.04			
		PURCHASES									
		8/18/21 4873-082	202108 300-20700-10000				*	267.11-			
		PURCHASES									
		8/18/21 4873-082	202108 300-13100-10000				*	3,316.72			
		PURCHASES									
		8/18/21 4873-082	202108 300-20700-10000				*	3,316.72-			
		PURCHASES									
										BUSINESS CARD	4,003.87 007922

9/02/21	00014	8/27/21 02998-08	202108 320-54900-43000				*	167.93			
		SVCS 08/21									
		8/27/21 04979-08	202108 320-54900-43000				*	84.29			
		SVCS 08/21									
		8/27/21 05950-08	202108 320-54900-43000				*	507.12			
		SVCS 08/21									
										FLORIDA POWER & LIGHT CO.	759.34 007923

9/02/21	00061	8/25/21 85198820	202109 320-54900-46000				*	335.10			
		SVCS 09/21									
										WASTE MANAGEMENT INC. OF FLORIDA	335.10 007924

DUNE -DUNES -		SHENNING	
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*** CHECK DATES 09/01/2021 - 09/30/2021 ***
DUNES CDD - BRIDGE FUND
BANK E DUNES - BRIDGE

DATE CHECK	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
9/09/21	00255	9/01/21 8105	202109 320-54900-46000		*	50.00	
		SVCS 09/21		ABOVE THE REST PEST CONTROL			50.00 007925
9/09/21	00184	8/26/21 0921	202109 300-13100-10000		*	199.30	
		INS 09/21			*	199.30	
		8/26/21 0921	202109 310-53600-23000		*	31.49	
		INS 09/21			*	199.30-	
		8/26/21 0921	202109 300-20700-10000				230.79 007926
		INS 09/21		AMERICAN HERITAGE LIFE INS COMPANY			
9/09/21	00101	8/26/21 220392-0	202109 320-54900-52000		*	114.00	
		WATER COOLER RENTAL		CULLIGAN WATER PRODUCTS			114.00 007927
9/09/21	00071	9/01/21 338665	202109 320-54900-46000		*	192.95	
		FIRE EXTINGUISHER INSPECT		DAYTONA FIRE & SAFETY EQUIP., INC.			192.95 007928
9/09/21	00014	8/30/21 06601-08	202108 320-54900-43000		*	91.53	
		SVCS 08/21			*	26.87	
		8/30/21 07438-08	202108 320-54900-46002		*	37.08	
		SVCS 08/21			*	30.44	
		8/30/21 25021-08	202108 320-54900-46002		*	26.69	
		SVCS 08/21					212.61 007929
		8/30/21 56431-08	202108 320-54900-46002		*		
		SVCS 08/21		FLORIDA POWER & LIGHT CO.			
9/09/21	00317	9/02/21 24246	202109 320-54900-42500		*	781.32	
		LOYALTY CARDS		G2 I.D. SOURCE, INC.			781.32 007930
9/09/21	00358	9/04/21 INV076	202109 320-54900-46000		*	300.00	
		SVCS 09/21		PSI PRESSURE WASHING & AUTO DE			300.00 007931
9/09/21	00373	8/26/21 12560	202108 320-54900-52000		*	470.00	
		HAZ MAT LABELS TRAINING		SAFETYVIDEOS.COM			470.00 007932

DUNE -DUNES - SHENNING

AP300R	YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER										RUN 11/04/21	PAGE 3
*** CHECK DATES 09/01/2021 - 09/30/2021 ***												
DUNES CDD - BRIDGE FUND												
BANK E DUNES - BRIDGE												

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
9/16/21	00336	9/04/21 34097001	202109 320-54900-41000		*	381.87	
		SVCS 09/21		BRIGHT HOUSE NETWORKS			381.87 007933
9/16/21	00189	9/14/21 58215	202109 320-54900-52000		*	69.10	
		SUPPLIES		COASTAL SUPPLIES			69.10 007934
9/16/21	00145	9/01/21 586	202109 310-51300-34000		*	1,429.17	
		MGMT FEES 09/21		GOVERNMENTAL MANAGEMENT SERVICES			1,429.17 007935
9/16/21	00367	9/13/21 96794573	202109 300-13100-10000		*	6,097.88	
		INS 09/21			*	1,837.93	
		9/13/21 96794573	202109 300-13100-10100		*	4,367.64	
		INS 09/21			*	1,837.93	
		9/13/21 96794573	202109 300-15500-10000		*	1,837.93-	
		INS 09/21			*	6,097.88	
		9/13/21 96794573	202109 300-20700-10000		*	6,097.88-	
		INS 09/21			*		
		9/13/21 96794573	202109 300-15500-10000		*		
		INS 09/21			*		
		9/13/21 96794573	202109 300-20700-10000		*		
		INS 09/21		HUMANA HEALTH PLAN INC			12,303.45 007936
9/16/21	00340	9/08/21 23051	202108 300-13100-10000		*	1,666.50	
		PROACTIVE IT SVCS-08/21			*	40.00	
		9/08/21 23051	202108 300-13100-10100		*	40.00-	
		PROACTIVE IT SVCS-08/21			*	1,666.50-	
		9/08/21 23051	202108 300-20700-10000		*	40.00	
		PROACTIVE IT SVCS-08/21			*	1,666.50	
		9/08/21 23051	202108 310-51300-49100		*		
		PROACTIVE IT SVCS-08/21			*		
		9/08/21 23051	202108 310-53600-41000		*		
		PROACTIVE IT SVCS-08/21			*		
		9/08/21 23051	202108 320-54900-34300		*		
		PROACTIVE IT SVCS-08/21		MPOWER DATA SOLUTIONS			3,373.00 007937
9/23/21	00189	9/21/21 58282	202109 320-54900-52000		*	114.84	
		SUPPLIES		COASTAL SUPPLIES			114.84 007938

				DUNE -DUNES -	SHENNING			
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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
9/23/21	00211	9/17/21 126736	202109 320-54900-64001		*	8,302.20	
		SVCS THRU 08/15/21		CPH ENGINEERS, INC.			8,302.20 007939
9/23/21	00366	9/20/21 04346350	202109 300-13100-10000		*	785.10	
		INS 09/21			*	154.28	
		9/20/21 04346350	202109 300-15500-10000		*	387.30	
		INS 09/21			*	154.28	
		9/20/21 04346350	202109 300-20700-10000		*	154.28-	
		INS 09/21			*	785.10	
		9/20/21 04346350	202109 300-20700-10000		*	785.10-	
		INS 09/21		FIRST UNUM LIFE INSURANCE COMPANY			1,326.68 007940
9/23/21	00340	9/13/21 23079	202109 320-54900-64006		*	500.00	
		SVCS 09/21		MPOWER DATA SOLUTIONS			500.00 007941
9/23/21	00278	8/11/21 4344659	202109 320-54900-52000		*	150.80	
		PURCHASES THRU 09/10/21			*	70.47	
		8/14/21 4963868	202109 320-54900-51000		*	19.95	
		PURCHASES THRU 09/10/21			*	5.29	
		8/17/21 4886578	202109 320-54900-52000		*	152.00	
		PURCHASES THRU 09/10/21			*	61.73	
		8/17/21 7397465	202109 320-54900-52000		*	157.99	
		PURCHASES THRU 09/10/21			*	152.00-	
		8/17/21 8565837	202109 320-54900-52000		*	57.57	
		PURCHASES THRU 09/10/21			*	57.57	
		8/17/21 9655789	202109 320-54900-52000		*	57.57-	
		PURCHASES THRU 09/10/21			*		
		8/26/21 8975346	202109 320-54900-52000		*		
		REFUND			*		
		8/26/21 9778466	202109 320-54900-52000		*		
		PURCHASES THRU 09/10/21			*		
		8/27/21 6493869	202109 310-51300-49000		*		
		PURCHASES THRU 09/10/21			*		
		8/27/21 6493869	202109 300-13100-10100		*		
		PURCHASES THRU 09/10/21			*		
		8/27/21 6493869	202109 300-20700-10000		*		
		PURCHASES THRU 09/10/21			*		

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DATE CHECK	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
		8/31/21	5355753 202109 320-54900-51000 PURCHASES THRU 09/10/21		*	63.99	
		9/01/21	5663555 202109 320-54900-51000 PURCHASES THRU 09/10/21		*	87.30	
		9/01/21	7487563 202109 320-54900-52000 PURCHASES THRU 09/10/21		*	191.22	
		9/09/21	5963978 202109 320-54900-52000 PURCHASES THRU 09/10/21		*	54.31	
				SYNCB/AMAZON			920.62 007942
9/23/21	00346	9/15/21	7402430 202109 300-13100-10000 FUEL		*	666.82	
		9/15/21	7402430 202109 300-20700-10000 FUEL		*	666.82-	
		9/15/21	7402430 202109 310-53600-52100 FUEL		*	666.82	
		9/15/21	7402430 202109 320-54900-46000 FUEL		*	87.01	
				WEX BANK			753.83 007943
9/30/21	00354	9/08/21	1265 202109 320-54900-46002 MAINT 09/21		*	1,800.00	
		9/08/21	1266 202109 320-54900-46000 MAINT 09/21		*	1,100.00	
		9/23/21	1273 202109 320-54900-46002 MAINT 09/21		*	3,450.00	
		9/27/21	1279 202109 320-54900-46002 IRRIGATION MAINT 09/21		*	205.00	
		9/27/21	1280 202109 320-54900-46002 IRRIGATION MAINT 09/21		*	90.00	
				AFFORDABLE LAWN & LANDSCAPING			6,645.00 007944
9/30/21	00252	9/26/21	3078 202109 320-54900-46000 SVCS 09/21		*	511.65	
				ALL SEASON HOME SOLUTION LLC			511.65 007945
9/30/21	00120	9/20/21	258995 202109 310-51300-64003 RENTALS		*	765.00	
				BETTER BARRICADES, INC.			765.00 007946
9/30/21	00173	9/18/21	4873-092 202109 310-51300-49100 PURCHASES		*	725.25	
		9/18/21	4873-092 202109 310-51300-49100 PURCHASES		*	140.70	
		9/18/21	4873-092 202109 310-51300-54000 PURCHASES		*	200.00	

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
		9/18/21	4873-092 202109 310-53600-41000 PURCHASES		*	1,245.00	
		9/18/21	4873-092 202109 310-53600-54100 PURCHASES		*	413.00	
		9/18/21	4873-092 202109 300-20700-10000 PURCHASES		*	3,335.04-	
		9/18/21	4873-092 202109 300-13100-10000 PURCHASES		*	3,335.04	
		9/18/21	4873-092 202109 310-51300-40000 PURCHASES		*	562.88	
		9/18/21	4873-092 202109 320-53600-52000 PURCHASES		*	202.23	
		9/18/21	4873-092 202109 320-53600-46050 PURCHASES		*	557.95	
		9/18/21	4873-092 202109 310-51300-42000 PURCHASES		*	13.28	
		9/18/21	4873-092 202109 320-54900-34300 PURCHASES		*	383.21	
		9/18/21	4873-092 202109 300-13100-10100 PURCHASES		*	725.25	
		9/18/21	4873-092 202109 300-20700-10000 PURCHASES		*	725.25-	
			BUSINESS CARD				4,443.50 007947
9/30/21 00189	-	9/28/21	58345 202109 320-54900-52000 SUPPLIES		*	154.26	-
			COASTAL SUPPLIES				154.26 007948
9/30/21 00277	-	9/20/21	667 202109 300-13100-10000 LOGOS		*	2,094.12	-
		9/20/21	667 202109 300-20700-10000 LOGOS		*	2,094.12-	
		9/20/21	667 202109 320-54900-52000 LOGOS		*	3,817.65	
		9/20/21	667 202109 310-53600-52055 LOGOS		*	2,094.12	
			LIDIA'S EMBROIDERY				5,911.77 007949
			TOTAL FOR BANK E			59,445.92	
			TOTAL FOR REGISTER			59,445.92	

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