RESOLUTION 2026-4

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE DUNES COMMUNITY DEVELOPMENT DISTRICT APPROVING AN INTERFUND LOAN FROM THE HAMMOCK DUNES TOLL BRIDGE ENTERPRISE FUND TO THE WATER AND SEWER FUND; MAKING LEGISLATIVE FINDINGS; PROVIDING TERMS OF REPAYMENT; AUTHORIZING IMPLEMENTATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Dunes Community Development District (the "District") is an independent special district created pursuant to Chapter 190, Florida Statutes, and is authorized to finance, acquire, construct, operate, maintain, and preserve public infrastructure and facilities for the benefit of lands within the District; and

WHEREAS, the District maintains separate governmental and enterprise funds, including the Hammock Dunes Toll Bridge Enterprise Fund (the "Bridge Fund") and the Water and Sewer Fund, each of which is separately accounted for in accordance with applicable governmental accounting principles; and

WHEREAS, all outstanding debt associated with the Bridge Fund has been defeased and satisfied, and the Bridge Fund presently maintains unrestricted cash reserves substantially in excess of the amounts reasonably necessary for current operations, maintenance, reserves, anticipated capital improvements, and foreseeable contingencies; and

WHEREAS, the Board has reviewed current and projected operating budgets, reserve requirements, anticipated capital expenditures, and future maintenance obligations for the Bridge Fund and finds that the proposed interfund loan described herein will not impair the continued operation, maintenance, repair, replacement, financial stability, or long-term viability of the Bridge Fund; and

WHEREAS, the Board further finds that making a portion of the excess Bridge Fund reserves available to the Water and Sewer Fund through an interfund loan serves a valid public purpose by reducing the financial burden placed upon District residents through Fiscal Year 2027 assessments while preserving the financial integrity of the Bridge Fund; and

WHEREAS, the Board has considered the Independent Accountant's Report prepared by Grau & Associates dated November 15, 2012, which concluded that transfers or loans between enterprise funds and governmental funds may be appropriate provided the financial integrity of the enterprise fund is not adversely affected; and

WHEREAS, based upon the information presented to the Board, the Board specifically finds that the proposed interfund loan will not adversely affect the Bridge Fund, its users, its future capital needs, or its ability to meet all current and anticipated financial obligations; and

WHEREAS, the Board further finds that documenting the transaction as an interfund loan, together with appropriate accounting treatment and repayment obligations, is in the best interests of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the Dunes Community Development District as follows:

Section 1. Legislative Findings.

The foregoing recitals are true and correct and are hereby adopted as the legislative findings of the Board and incorporated herein by reference.

Section 2. Authorization of Interfund Loan.

The Board hereby authorizes an interfund loan from the Hammock Dunes Toll Bridge Enterprise Fund to the Water and Sewer Fund in the principal amount of **One Million Eight Hundred Twenty Thousand Dollars ($1,820,000.00)** (the "2026 Interfund Loan").

The proceeds of the loan shall be used solely for lawful Water and Sewer Fund purposes, including reducing the Fiscal Year 2027 general operating assessments.

Section 3. Interest.

The outstanding principal balance of the 2026 Interfund Loan shall accrue interest at the annual rate of **1.69%,** which is the current State Revolving Fund interest rate, which rate the Board finds to be fair, reasonable, and appropriate under the circumstances.

Interest shall accrue annually until the loan is repaid.

Section 4. Repayment.

The Water and Sewer Fund shall repay the entire unpaid principal balance together with all accrued interest no later than twenty (20) years from the date of this Resolution.

Nothing contained herein shall prohibit the District from making partial or full repayment at any earlier time without penalty.

The obligation created by this Resolution shall be reflected as an interfund receivable of the Bridge Fund and an interfund payable of the Water and Sewer Fund until fully satisfied.

Section 5. Preservation of Bridge Fund.

Nothing contained in this Resolution shall authorize the use of Bridge Fund monies in any manner that would impair the Bridge Fund's ability to:

(a) operate and maintain the Hammock Dunes Toll Bridge;

(b) fund routine and extraordinary maintenance and repairs;

(c) provide for future capital replacements and improvements;

(d) maintain adequate operating and emergency reserves; or

(e) satisfy any present or future lawful financial obligations of the Bridge Fund.

The Board expressly finds that the 2027 Interfund Loan will not adversely affect the continued financial integrity or operational viability of the Bridge Fund.

Section 6. Implementing Actions.

The District Manager, District Counsel, District Accountant, and such other District officials as may be necessary are hereby authorized to take all actions and execute all documents reasonably necessary to implement the provisions of this Resolution.

Section 7. Severability.

If any section, subsection, sentence, clause, phrase, or provision of this Resolution is held invalid or unconstitutional by a court of competent jurisdiction, such determination shall not affect the validity of the remaining portions of this Resolution.

Section 8. Conflicts.

All resolutions or portions of resolutions in conflict herewith are repealed to the extent of such conflict.

Section 9. Effective Date.

This Resolution shall become effective immediately upon adoption and shall remain in effect until the Interfund Loan has been repaid in full or otherwise satisfied by subsequent action of the Board.

Signed by:
Gregory Peugh
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Gregory L. Peugh, Secretary

Signed by:
Gary Crahan
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Gary Crahan, Chairman

DULY PASSED AND ADOPTED by the Dunes Community Development District, Florida, on July 10, 2026.