



Rizzetta & Company

NatureWalk Community Development District

**Board of Supervisors' Meeting
March 6, 2025**

**District Office:
120 Richard Jackson Blvd, Suite 220
Panama City Beach, Florida 32407
(850) 334-9055**

www.naturewalkcdd.org

NATUREWALK COMMUNITY DEVELOPMENT DISTRICT AGENDA

Walton Area Chamber of Commerce, 63 South Centre Trail, Santa Rosa Beach, FL 32459

District Board of Supervisors	Jonette Coram Mike Grubbs Skylar Lee Danell Head Mike Duffey	Chairman Vice Chairman Assistant Secretary Assistant Secretary Assistant Secretary
District Manager	Holly Bailey	Rizzetta & Company, Inc.
District Counsel	Joseph Brown	Kutak Rock LLP
District Engineer	Jim Martelli, P.E.	Innerlight Engineering Corporation
Bond Counsel	Cynthia E. Wilhelm	Nabors, Giblin & Nickerson, P.A.

All cellular phones must be placed on mute while in the meeting room.

The Public Comment portion of the agenda is where individuals may make comments on any matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

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 (239) 936-0913. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) 1-800-955-8770 (Voice), who can aid you in contacting the District Office.

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.

**Board of Supervisors
NatureWalk Community
Development District**

March 5, 2025

REVISED AGENDA

Dear Board Members:

The meeting of the Board of Supervisors of the NatureWalk Community Development District will be held on **Thursday, March 6, 2025, at 12:00 p.m. (CT)** at the **Walton Chamber of Commerce** located at **63 South Centre Trail, Santa Rosa Beach, FL 32459**. The following is the **final** agenda for the meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. AUDIENCE COMMENTS IN AGENDA ITEMS**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of the Minutes of the Board of Supervisors' Meeting held on Thursday, February 6, 2025Tab 1
 - B. Ratification of the Operations and Maintenance Expenditures for the Month(s) of January 2025.....Tab 2
- 4. STAFF REPORTS**
 - A. District Landscape Provider
 1. Presentation of District Landscaping Reports.....Tab 3
 - B. District Engineer
 1. Presentation of the SB 7040 Stormwater O&M Compliance Reporting ProposalTab 4
 - C. District Counsel
 - D. District Manager
 - E. District Chair Project Updates
- 5. BUSINESS ITEMS**
 - A. Discussion & Consideration of Green Earth Arbor Work Proposal.....Tab 5
 - B. Discussion & Consideration of Green Earth Proposal for Perennial Drift Rose Fertilization.....Tab 6
 - C. Discussion & Consideration of Green Earth Proposal for Alternative Mulching Materials for Sandgrass MediansTab 7
 - D. Discussion & Consideration of Green Earth Proposal for Phase 1 Shrub ThinningTab 8
 - E. Discussion & Consideration of Pat Shea Curb & Sidewalk Repairs.....Tab 9
 - F. Discussion & Consideration of Tract H Settlement AgreementsTab 10
- 6. SUPERVISOR REQUESTS AND COMMENTS**
- 7. WORKSHOP**
 - A. FY 2025-2026 Budget Workshop #1.....Tab 11
- 8. ADJOURNMENT**

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (407) 472-2471.

Very truly yours,

Holly Bailey

Holly Bailey
District Manager

Tab 1

NATUREWALK COMMUNITY DEVELOPMENT DISTRICT

February 6, 2025, Minutes of Meeting

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MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

NATUREWALK COMMUNITY DEVELOPMENT DISTRICT

The meeting of the Board of Supervisors of the NatureWalk Community Development District was held on **Thursday, February 6, 2025, at 12:00 p.m.** at the Walton Area Chamber of Commerce, located at 63 South Centre Trail, Santa Rosa Beach, FL 32459.

Present and constituting a quorum:

Jonette Coram	Board Supervisor, Chairman
Mike Grubbs	Board Supervisor, Vice-Chairman
Danell Head	Board Supervisor, Assistant Secretary
Mike Duffey	Board Supervisor, Assistant Secretary

Also present were:

Holly Bailey	Rizzetta & Company, Inc.
Jess Smith	Landscape Provider, GreenEarth
Eric Evans	Landscape Provider, GreenEarth
Joe Harrison	Landscape Provider, GreenEarth
Carlos Alladyce	Landscape Provider, GreenEarth
Jim Martelli	District Engineer, Innerlight Engineering
	<i>(via speakerphone)</i>
Joseph Brown	District Counsel, Kutak Rock
	<i>(via speakerphone)</i>

Audience Three (3) audience members were present.

FIRST ORDER OF BUSINESS

Call to Order

Ms. Bailey called the meeting to order at 12:00 p.m. and confirmed there was a quorum.

SECOND ORDER OF BUSINESS

Audience Comments

There were no Audience comments.

NATUREWALK COMMUNITY DEVELOPMENT DISTRICT

February 6, 2025, Minutes of Meeting

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THIRD ORDER OF BUSINESS

Consideration of the Minutes of the of the Board of Supervisors Meeting held on January 9, 2025

Ms. Bailey presented the Board of Supervisors (BOS) meeting minutes and asked if any changes were requested. No changes were requested.

On a motion by Ms. Coram, seconded by Ms. Head, with all in favor, the Board approved the Minutes of the BOS Meeting held on January 9, 2025, for NatureWalk Community Development District.

FOURTH ORDER OF BUSINESS

Ratification of the Operations and Maintenance Expenditures for the Month of December 2024

Ms. Bailey presented the maintenance expenditures to the Board of Supervisors (BOS) and asked if there were any questions, there were none.

Rizzetta Accounting has accrued the July 2024 Kutak Rock invoice to FY23-24.

On a motion by Ms. Coram, seconded by Ms. Head, with all in favor, the Board ratified Operations and Maintenance Expenditures for the Month of December 2024, in the amount of \$83,444.42 for NatureWalk Community Development District.

FIFTH ORDER OF BUSINESS

Staff Reports

A. District Landscape Provider

1. *Presentation of District Landscaping Reports*

Ms. Smith presented the monthly reports. Muhly trim is complete; palmetto trim will complete in February.

Focal pond clean-up took place during the week of February 3. Green Earth was approached by homeowners who asked for additional trimming behind/alongside their lots.

Ms. Coram requested that Green Earth instruct their crews be to refer homeowners to the CDD as such requests could generate additional costs or extend services into conservation areas that are not allowed to be altered.

Irrigation audits resume this month but is not yet scheduled. Ms. Coram asked to be present when the crew redirects the sprinklers at the Sandgrass Fitness Park.

Mr. Evans discussed the maintenance plan for plant materials that were adversely affected by the recent snow by suggesting that the BOS wait another month to act as the coontie palms and/or yaupons may recover with time.

B. District Engineer

Mr. Martelli explained there are three general components to SB 7040 Stormwater Ratification Bill. The first involves the development of a site-specific Operations & Maintenance plan for each of the stormwater management ponds. Even though they are all wet retention and similar in nature, each is separate regarding elevation control structures, treatment, and attenuation volumes, etc. and must be outlined in the overall O&M plan via an engineering report with figures and exhibits. The second component is the development of an O&M cost estimate on an annual basis that the District might experience based on the third, which is inspection (on a schedule set forth in the Bill).

Ms. Coram asked if Mr. Martelli could provide documentation and the cost to begin implementation of the SB 7040 Stormwater O&M plan for the next BOS meeting in March.

Mr. Martelli will provide a proposal specific to NatureWalk for March 3, 2025.

Mr. Duffey inquired about the timeframe for implementation of the plan.

Mr. Brown stated that it would be beneficial to have a plan in place before any inspection reports are due. There is a reporting frequency outlined in SB 7040; no penalties are noted in the Kutak Rock memo of December 20, 2024. The District should work towards meeting the reporting requirements.

Ms. Coram asked Mr. Martelli about the permeability of gravel vs. pavers. The Sports Courts licensing agreement allows the HOA to place parking on District property at their cost, but as previously noted, doing so would require Development Order amendment. An HOA committee member reached out to the District to ask whether gravel could be used without the additional cost of permitting.

Mr. Martelli stated that different gravel types exist, some of which are quite compact and would be similar to pavers in terms of their pervious percentage. Washed stone is pervious, however it presents issues with vehicles spinning their wheels or becoming stuck if it is too loose. Walton County would need to be contacted regarding this matter, resulting in cost to the District.

The Chair will advise the committee member that a formal proposal/request from the HOA Board of Directors must be submitted to the District before the BOS can consider the usage of gravel instead of pavers at the Sports Courts per the licensing agreement.

C. District Counsel

Mr. Brown stated that Tract H is preparing a settlement agreement; basic terms have been agreed upon between the bondholder, Trustees, and the property owner, similar to previous agreements.

Mr. Brown will email the owners of Tracts G, I, K-1 to encourage further discussion with the bond holders, Trustee Counsel, and resolution of the Quiet Title action.

Ms. Coram asked where Tract E is in the platting process as a completed plat would trigger recalculation of O&M Assessments for the entire District. The FY25-26 Budget is due to Walton County on June 15 and Rizzetta requires sufficient time to reassign EAU and perform O&M calculations.

Counsel will inquire.

Mr. Grubbs asked about the number of units listed in the Tract H bond debt settlement agreement.

Discussion ensued about the current Tract H plan and the possibility of NatureWalk retaining emergency exit through the parcel.

D. District Manager Report

Ms. Bailey stated that a site for District File Storage has not yet been located.

A recent website audit determined the District to be ADA Compliant.

Rizzetta Accounting is preparing for budgeting season and working towards resolving recent issues that resulted in misclassification of District expenses.

Ms. Head inquired about towing services, as the District previously requested that towing resume prior to Spring Break.

Ms. Bailey will contact El Sankary Towing.

E. District Chair Updates

The Pat Shea Concrete Road replacement 620-694 Flatwoods Forest Loop is on schedule.

Owner Input on Fitness Station Removal indicated that homeowners are opposed to equipment removal. Results received via email: 41 opposed, 1 for removal if expense is incurred to maintain them and 1 in support of a BOS decision either way after more information regarding what would take their place is provided to the community.

An audience member spoke against the recent relocation of LSV signage and requested that the District work with the HOA to establish a location with higher visibility.

The Conservation Area Tree Removal at 269 Flatwoods Forest Loop completed per District policy. Final photos were received showing the tree stump was left in place and the area remains undisturbed as stipulated.

A Conservation Area tree was removed by the owner of 305 Flatwoods Forest Loop without District permission. Any repercussions are the sole responsibility of that owner as District policy and procedures were provided but not followed.

Gulf Coast Electric is scheduled to install one (1) bridge post up light, retrofit six (6) streetlights and one (1) pathway light to LED and troubleshoot photo sensor #29 on February 12, 2025.

SIXTH ORDER OF BUSINESS

BUSINESS ITEMS

A. Discussion and Consideration of the of the 2023 NatureWalk CDD Audit

BOS discussion of the audit report findings ensued.

On a motion by Ms. Coram, seconded by Ms. Head, with all in favor, the Board approved the Berger, Toombs, Elam, Gaines & Frank audit for the Year Ending September 30, 2023, for NatureWalk Community Development District.

B. Discussion and Consideration of Fitness Stations

Ms. Coram opposed Fitness Station removal based on community feedback, cost of removal and the resulting expense of property reconfiguration. Instead, Ms. Coram proposed doing a monthly equipment audit, with cleaning via volunteer effort when indicated.

Ms. Head also opposed removal but recommended that a vendor be found to clean the Fitness Stations on a regular basis. Discussion ensued.

Mr. Duffey questioned whether the entire community was given an opportunity to submit feedback.

Ms. Coram confirmed that a Request for Input was placed in the HOA Newsletter to publicize the issue and gather community feedback. The HOA Newsletter was emailed to homeowners and contained a direct email link to the District to facilitate their response.

Mr. Grubbs noted that the HOA had also posted their Newsletter on NatureWalk social media sites. Therefore, the Request for Input was available to owners via more than one format.

On a motion by Ms. Coram, seconded by Mr. Grubbs, with Mr. Duffey opposed, the Board voted to retain all five (5) Fitness Stations with the caveat that they be cleaned monthly via volunteer effort, for NatureWalk Community Development District.

Two options to address well water-stained rocks at the Sandgrass Fitness Park Station were presented. BOS discussion ensued.

On a motion by Ms. Coram, seconded by Ms. Head, with all in favor, the Board approved the Green Earth proposal for Rock Clean + Refresh in the amount of \$726.00 for NatureWalk Community Development District.

C. Discussion and Consideration of Pat Shea Contract Addendum for Curb Replacement

The addendum provides for the replacement of damaged curbs on the alley at 134 and 694 Flatwoods Forest Loop with rebar added. Funding is available via the project contingency previously approved on January 9, 2025.

On a motion by Ms. Coram, seconded by Mr. Duffey, with all in favor, the Board ratified the Pat Shea Concrete Contract Addendum for curb repair in the amount of \$2,800 for NatureWalk Community Development District.

SEVENTH ORDER OF BUSINESS

Supervisor Requests and Audience Comments

An audience member spoke against Fitness Station removal, bringing the total to 42.

Mr. Duffey presented photos and a recommendation for the District to address erosion at the rear of homeowner lots adjacent to Pond 28, per a request from a homeowner at 215 Prairie Pass.

BOS discussion ensued. The District has a policy and procedure for homeowners to request an Improvement Encroachment Agreement that would allow them, at their cost, to address erosion of this type at the edge of their properties/fence lines.

The District addressed erosion on CDD property in the past on a case-by-case basis, but erosion on homeowner property caused by runoff is not the District's responsibility. The function of each stormwater pond is to manage runoff and provide flood control. The SB 7040 Stormwater Bill mandates that the District inspect all ponds to ensure their functionality. As the District moves forward with implementation of an O&M plan for its

NATUREWALK COMMUNITY DEVELOPMENT DISTRICT

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stormwater system, each pond's condition will be assessed by the District Engineer, who will make maintenance recommendations based on his findings.

An audience member asked if the HOA Sports Courts fencing is supposed to match the design of existing fencing in NatureWalk.

Discussion ensued. The design and maintenance of the fences is the responsibility of the HOA, not the CDD. The BOS entered into a licensing agreement with the HOA to allow the west court that crosses onto District property to remain in place and to allow the HOA to move their fence away from the courts to provide safety for players and facilitate play. The District's only concern is that the new HOA fences on both sides of the alley observe the constraints set by the District Engineer to meet FDOT clear zone requirements of six (6) feet from the alley edge of pavement and seven (7) feet from the roadway edge of pavement. Questions about the aesthetics of the fences should be directed to the HOA.

EIGHTH ORDER OF BUSINESS

Adjournment

On a motion by Mr. Grubbs, seconded by Mr. Duffey, with all in favor, the Board Adjourned the Meeting at 1:45 P.M., for NatureWalk Community Development District.

Secretary/Assistant Secretary

Chairman/ Vice Chairman

Tab 2

NatureWalk Community Development District

DISTRICT OFFICE · PANAMA CITY BEACH, FL 32407

MAILING ADDRESS · 3434 COLWELL AVENUE, SUITE 200 · TAMPA, FLORIDA 33614

WWW.NATUREWALKCDD.ORG

Operations and Maintenance Expenditures January 2025 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from January 1, 2025 through January 31, 2025. This does not include expenditures previously approved by the Board.

The total items being presented: **\$74,790.58**

Approval of Expenditures:

_____ Chairperson

_____ Vice Chairperson

_____ Assistant Secretary

NatureWalk Community Development District

Paid Operation & Maintenance Expenditures

January 1, 2025 Through January 31, 2025

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Berger, Toombs, Elam, Gaines & Frank CPA	100532	369855	Auditing Services FY 09/30/23	\$3,350.00
Danell Head	300000	DH010925	Board of Supervisors Meeting 01/09/25	\$200.00
Emerald Coast Scapes	300001	10370	Retaining Wall -- Erosion Project 12/24	\$4,600.00
Flock Group, Inc.	300014	INV-56817	Flock Safety Falcon 01/25	\$2,500.00
Gannett Florida LocaliQ	300010	0006883465	Legal Advertising 12/24	\$153.45
GreenEarth Southeast, LLC	100533	131629	Winter Flower Change 12/24	\$412.00
GreenEarth Southeast, LLC	300002	134326	Landscape Maintenance 01/25	\$12,907.13
GreenEarth Southeast, LLC	300002	135821	Irrigation Repair 12/24	\$200.02
IPFS Corporation	300003	GAA-D64507 Payment # 4	GAA-D64507 Payment # 4	\$4,511.25
Jonette Anne Coram	300004	JC010925	Board of Supervisors Meeting 01/09/25	\$200.00
Kutak Rock, LLP	300011	3512931	Legal Services 11/24	\$4,392.49
Michael E. Duffey	300005	MD010925	Board of Supervisors Meeting 01/09/25	\$200.00
Michael W Grubbs	300006	MG010925	Board of Supervisors Meeting 01/09/25	\$200.00
Rizzetta & Company, Inc.	100531	INV0000096188	District Management Fees 01/25	\$5,382.84

NatureWalk Community Development District

Paid Operation & Maintenance Expenditures

January 1, 2025 Through January 31, 2025

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Skylar P Lee	300007	SL010925	Board of Supervisors Meeting 01/09/25	\$200.00
The Lake Doctors, Inc.	300008	1964345	Fountain Cleaning 01/25	\$179.00
The Lake Doctors, Inc.	300015	1964248	Pond Maintenance 01/25	\$576.00
VGlobal Tech	300009	6908	ADA Website Maintenance 01/25	\$300.00
Virgin Brothers LLC	100534	122324 Virgin Brothers WA #12	50% Deposit - WA#12 Trail Boardwalk Repairs 12/24	\$3,749.85
Virgin Brothers LLC	100534	122324 Virgin Brothers WA #13	60% Deposit - WA#13 Pedestrian Project #3 12/24	\$25,792.20
Virgin Brothers LLC	100535	218861	Fence Repair 12/24	\$434.50
Virgin Brothers LLC	300016	218664	Final Balance on WA # 12 for Trail Boardwalk Repairs 01/25	\$3,749.85
Virgin Brothers LLC	300016	218862	Water Sealer 01/25	\$475.00
Walton County Chamber of Commerce	300012	44151	Board Room Rental 01/25	<u>\$125.00</u>
Report Total				<u>\$ 74,790.58</u>

Tab 3



March Anticipated Services 2025

Nature Walk CDD

Chemical:

- Turf Pre-M – Completed 2/18
- Shrub Bed Pre-M – Completed 2/18
- Bed/trail weeds will be maintained by maint crew.

General Maintenance: Bi Weekly

- March 10th
- March 24th

Nature Walk Trail Maintenance

- March 24th

Focal Ponds

- March 10th

Pruning

- Uniform pruning – start March 10th

Irrigation Audit

- March 5th

Tab 4

INNERLIGHT ENGINEERING CORPORATION

11490 Emerald Coast Parkway • Suite 2W • Miramar Beach, Florida • 32550

www.ieceng.com

THINK

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SOLVE

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SERVE

NATUREWALK COMMUNITY DEVELOPMENT DISTRICT

Work Authorization No. 9

SB 7040 Stormwater O&M Compliance Reporting

(ALYS BEACH, FLORIDA)

March __, 2025

THIS WORK AUTHORIZATION AGREEMENT, MADE AND ENTERED INTO THIS __ DAY OF _____, 2025 is presented according to the requirements established within the executed "Agreement Between Naturewalk Community Development District and Innerlight Engineering Corporation for Professional Engineering Services" (Blanket Agreement) made and entered into on April 24, 2017 (and ratified by the District Board of Supervisors at the March 09, 2017 Board Meeting), whose mailing addresses are as follows:

SOMERSET COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located in Walton County, Florida, whose address is 120 Richard Jackson Boulevard, Panama City Beach, FL 32407 (the "District"), and

INNERLIGHT ENGINEERING CORPORATION, whose mailing address is 11490 Emerald Coast Parkway, Suite 2W, Miramar Beach, Florida, 32550 ("Engineer").

WHEREAS, the District wishes to engage Engineer for the performance of Professional Engineering and / or Surveying Services; and has determined that Engineer is qualified to serve as Engineer for the Client; and

WHEREAS, the District intends to employ Consultant to perform one or more of the following services as specified and contractually obligated through authorized requests in writing:

- Civil Engineering
- Land Surveying
- Technical Studies
- Infrastructure Conditions Assessment

WHEREAS, Engineer shall serve as District's professional representative in each service or project to which this Agreement applies and will give consultation and advice to District during the performance of his services. **NOW, THEREFORE**, for and in consideration of the mutual covenants herein contained the acts and deeds to be performed by the parties, and the payments by the District to the Engineer of the sums of money herein specified, it is mutually covenanted and agreed as follows:

Exhibit A: Scope of Services

Basis of Scope and Understanding

It is the Engineer's understanding that the Naturewalk Community Development District is required to, pursuant to Florida Senate Bill 7040 (aka, the Florida Stormwater Ratification Bill), complete several respective tasks related to Operation and Maintenance of District owned or maintained stormwater management facilities (SWMFs). These are understood to be the following in no particular order. One, preparation of a comprehensive Stormwater Operation and Maintenance Plan (O&M); two, preparation/development of a detailed inspection program; three, preparation of a detailed O&M cost estimate; and four, completion of a Certification of Financial Capability for Perpetual O&M Entities Form(s). The below proposal assumes 25 total SWMFs onsite.

Scope of Services

Task 1: SWMFs Operation and Maintenance Plan (@\$700/Pond) **\$ 17,500.00**

The following components are anticipated as part of the specific Scope of Work:

- Prepare an Operation and Maintenance Plan for the District's SWMFs meeting the requirements of the Northwest Florida Water Management Districts' (NFWFMD) Environmental Resource Permit Applicant's Handbook, Volume I, Section 12.4.1(a), to include the following at a minimum:
 - A list and details of all stormwater system components, including their location, type, and other pertinent information, such as normal pool elevation, volume, recovery time, and how the systems connect;
 - A list and description of each of the identified maintenance and inspection tasks for each of the system's components and for the overall system (refer to Appendix O for procedures for BMPs);
 - All regular inspection and maintenance schedules;
 - Inspection checklists;
 - Copies of or references to the pertinent sections of all covenants, conditions, restrictions, and other association documents, permits, approvals, and agreements that govern the operation and maintenance of the stormwater management system; and (IEC will ONLY incorporate readily available information, this task does not include Legal investigations and reporting such as Title Searches, etc.)
 - Permitted or as-built plans of the stormwater water management system (Readily Available Only).

Task 2: Cost Estimate Opinion (@\$200/Pond) **\$ 5,000.00**

The following components are anticipated as part of the specific Scope of Work:

- Prepare an Engineers' Opinion of Probable Cost Meeting the Inspection and Maintenance related components required as part of NFWFMD's, Section 12.4.1(a) discussed in Task 1 above.

ASSUMPTIONS and EXCLUSIONS

The following assumptions and exclusions are noted:

- Services other than those specifically outlined in Task 1 above are excluded.

Exhibit D: Compensation.

- I. **Basic Services:** As full and complete compensation for basic services, Innerlight Engineering Corporation shall be paid basic compensation in accordance with (a) below:
 - a. A Fixed Fee in the Amounts Specified in the Tasks Above
- II. **Hourly Rates:** Not Applicable

REIMBURSABLE EXPENSES. It is understood and agreed that the payment of compensation for Reimbursable Expenses under this contract shall be based upon the executed Professional Services Agreement.

ACCEPTANCE. Acceptance of this Agreement will authorize by writing Innerlight Engineering Corporation to complete the Scope of Work as outlined above and is indicated by the signature of the authorized representative of the District and the Engineer in the spaces provided below.

IN WITNESS WHEREOF, the parties hereto have caused these present to be executed the day and year first above written.

Attest:

NATUREWALK COMMUNITY DEVELOPMENT DISTRICT

Assistant Secretary/Secretary

By: **Chairperson, Board of Supervisors**

INNERLIGHT ENGINEERING CORPORATION

Witness

By: **James A. Martelli, P.E.**
Its: **Director**

Tab 5



Proposal #72286

Date: 2/24/2025

Nature Walk CDD

Santa Rosa Beach, FL 32459

Landscape Service Provider:

Green Earth Southeast, LLC.
15167 Highway 331 Business
Suite B.
Freeport, FL 32439

Constitutes the entire agreement between the aforementioned parties and includes the scope of service, guarantees, terms and conditions, pricing, and payment responsibilities for landscape services provided at:

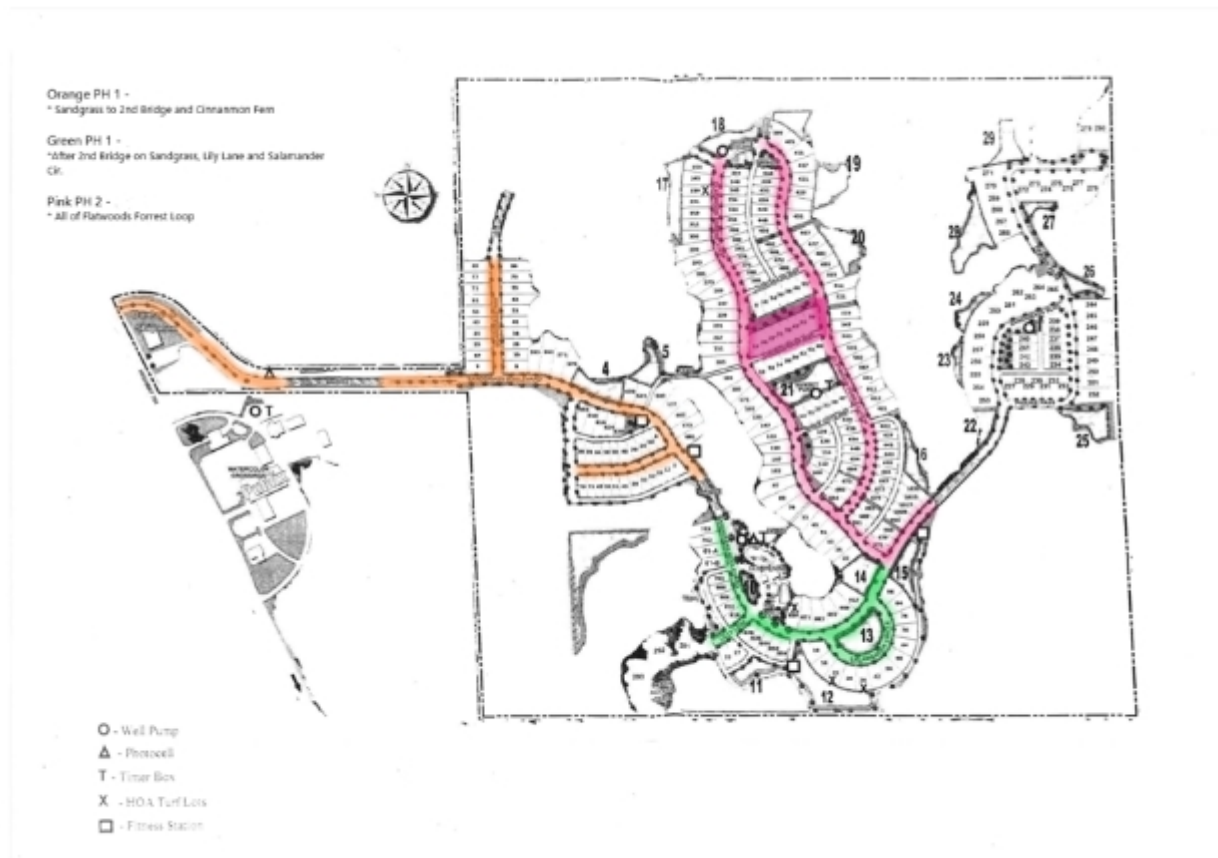
Nature Walk CDD

Santa Rosa Beach, FL 32459

Structural Pruning - Phase 2

Work order scope: Work will be performed by SavaTree Licensed Arborist

Phase 2 (pink)



General Tree Care

Location of plant material is from the perspective of main entry point and targets (trees and shrubs) are oriented in a clockwise direction.

Phase 2 - Pink

Perform natural pruning intended to maintain the tree's characteristic growth pattern to provide clearance, develop structure,, by applying:

- branch removal cuts on dead branches 2 inch diameter and larger
- reduction cuts on live branches by removing 2-4 ft in length for clearance away from security lights/signs etc. as needed
- reduction cuts on live branches by removing lower branches to a height of 10-12 feet as appropriate for the tree over the road ways for truck clearance as needed
- reduction cuts on live branches by removing lower branches to a height of 8-10 feet as appropriate for the tree on the sidewalk side for pedestrian clearance as needed
- reduction cuts on live branches by removing 10-15% of foliage/buds to the lower half of the crown

Flatwoods Forest Loop

- One (1) 2" DBH Oak (*Quercus* sp.), 701
- One (1) 4" DBH Oak (*Quercus* sp.), 701
- One (1) 4" DBH Oak (*Quercus* sp.), 694
- One (1) 4" DBH Oak (*Quercus* sp.), 689

One (1) 3" DBH Oak (Quercus sp.), 683
One (1) 4" DBH Oak (Quercus sp.), 682
One (1) 4" DBH Oak (Quercus sp.), 679
One (1) 2" DBH Oak (Quercus sp.), 673
One (1) 4" DBH Oak (Quercus sp.), 667
One (1) 6" DBH Oak (Quercus sp.), 664
One (1) 6" DBH Oak (Quercus sp.), 661
One (1) 4" DBH Oak (Quercus sp.), 655
One (1) 4" DBH Oak (Quercus sp.), 654
One (1) 6" DBH Oak (Quercus sp.), 643
One (1) 6" DBH Oak (Quercus sp.), 640
One (1) 6" DBH Oak (Quercus sp.), 637
One (1) 4" DBH Oak (Quercus sp.), 636
One (1) 4" DBH Oak (Quercus sp.), 621
One (1) 6" DBH Oak (Quercus sp.), 628
One (1) 4" DBH Oak (Quercus sp.), 620
One (1) 4" DBH Oak (Quercus sp.)
One (1) 4" DBH Oak (Quercus sp.), 601
One (1) 4" DBH Oak (Quercus sp.)
One (1) 4" DBH Oak (Quercus sp.)
One (1) 4" DBH Oak (Quercus sp.), 587
One (1) 6" DBH Oak (Quercus sp.)
One (1) 4" DBH Oak (Quercus sp.), 565
One (1) 6" DBH Oak (Quercus sp.)
One (1) 6" DBH Oak (Quercus sp.), 563
One (1) 6" DBH Oak (Quercus sp.)
One (1) 4" DBH Oak (Quercus sp.), 533
One (1) 6" DBH Oak (Quercus sp.)
One (1) 4" DBH Oak (Quercus sp.), 503
One (1) 4" DBH Oak (Quercus sp.), 485
One (1) 6" DBH Oak (Quercus sp.), 480
One (1) 4" DBH Oak (Quercus sp.), 468
One (1) 4" DBH Oak (Quercus sp.), 467
One (1) 6" DBH Oak (Quercus sp.), 462
One (1) 4" DBH Oak (Quercus sp.)
One (1) 2" DBH Oak (Quercus sp.), 451
One (1) 4" DBH Oak (Quercus sp.), 448
One (1) 4" DBH Oak (Quercus sp.), 451
One (1) 4" DBH Oak (Quercus sp.), 442
One (1) 3" DBH Oak (Quercus sp.), 439
One (1) 4" DBH Oak (Quercus sp.), 426
One (1) 4" DBH Oak (Quercus sp.), 421
One (1) 8" DBH Oak (Quercus sp.), 418
One (1) 4" DBH Oak (Quercus sp.), 411
One (1) 4" DBH Oak (Quercus sp.), 399
One (1) 8" DBH Oak (Quercus sp.)
One (1) 4" DBH Oak (Quercus sp.), 351
One (1) 4" DBH Oak (Quercus sp.), 354
One (1) 4" DBH Oak (Quercus sp.), 348
One (1) 4" DBH Oak (Quercus sp.), 345
One (1) 4" DBH Oak (Quercus sp.), 340
One (1) 3" DBH Oak (Quercus sp.), 331
One (1) 4" DBH Oak (Quercus sp.), 334

One (1) 3" DBH Oak (Quercus sp.), 319
 One (1) 4" DBH Oak (Quercus sp.), 316
 One (1) 4" DBH Oak (Quercus sp.), 306
 One (1) 4" DBH Oak (Quercus sp.), 300
 One (1) 4" DBH Oak (Quercus sp.), 299
 One (1) 3" DBH Oak (Quercus sp.), 282
 One (1) 4" DBH Oak (Quercus sp.), 285
 One (1) 4" DBH Oak (Quercus sp.), 282
 One (1) 4" DBH Oak (Quercus sp.), 275
 One (1) 4" DBH Oak (Quercus sp.), 278
 One (1) 6" DBH Oak (Quercus sp.), 276
 One (1) 4" DBH Oak (Quercus sp.), 268
 Two (2) 4" DBH Oak (Quercus sp.), 269
 One (1) 4" DBH Oak (Quercus sp.), 260
 One (1) 6" DBH Oak (Quercus sp.)
 One (1) 8" DBH Oak (Quercus sp.)
 One (1) 4" DBH Oak (Quercus sp.), 239
 One (1) 3" DBH Oak (Quercus sp.), 231
 One (1) 4" DBH Oak (Quercus sp.)
 One (1) 6" DBH Oak (Quercus sp.)
 One (1) 4" DBH Oak (Quercus sp.), 205
 One (1) 6" DBH Oak (Quercus sp.), 195
 One (1) 6" DBH Oak (Quercus sp.), 185
 One (1) 6" DBH Oak (Quercus sp.), 175
 One (1) 6" DBH Oak (Quercus sp.)
 One (1) 6" DBH Oak (Quercus sp.)
 One (1) 4" DBH Oak (Quercus sp.)
 One (1) 4" DBH Oak (Quercus sp.), 133
 One (1) 4" DBH Oak (Quercus sp.)
 One (1) 10" DBH Oak (Quercus sp.)
 One (1) 6" DBH Oak (Quercus sp.), 119
 One (1) 4" DBH Oak (Quercus sp.), 107
 One (1) 4" DBH Oak (Quercus sp.), 103
 One (1) 10" DBH Oak (Quercus sp.)
 One (1) 10" DBH Oak (Quercus sp.), 89
 One (1) 6" DBH Oak (Quercus sp.)
 One (1) 8" DBH Oak (Quercus sp.)
 One (1) 6" DBH Oak (Quercus sp.), 73
 One (1) 6" DBH Oak (Quercus sp.), 65
 One (1) 4" DBH Oak (Quercus sp.)
 One (1) 6" DBH Oak (Quercus sp.)
 One (1) 6" DBH Oak (Quercus sp.), 43
 One (1) 6" DBH Oak (Quercus sp.), 35
 One (1) 6" DBH Oak (Quercus sp.)
 Three (3) 6" DBH Oaks (Quercus sp.), by 23
 One (1) 4" DBH Oak (Quercus sp.)
 One (1) 4" DBH Oak (Quercus sp.)

Sandgrass Blvd.

One (1) 6" DBH Oak (Quercus sp.)
 One (1) 6" DBH Oak (Quercus sp.)

One (1) 6" DBH Oak (Quercus sp.)
One (1) 6" DBH Oak (Quercus sp.)
One (1) 6" DBH Oak (Quercus sp.), 971
One (1) 4" DBH Oak (Quercus sp.)
One (1) 4" DBH Oak (Quercus sp.), 985
One (1) 6" DBH Oak (Quercus sp.), 995
One (1) 6" DBH Oak (Quercus sp.), 1009
One (1) 6" DBH Oak (Quercus sp.), 1017

Park between Lovegrass Way and Chordgrass Way

One (1) 6" DBH Oak (Quercus sp.), - 1 5" limb toward the house(lovegrass side)
One (1) 8" DBH Oak (Quercus sp.), (lovegrass side)
One (1) 6" DBH Oak (Quercus sp.), (chordgrass side)

Park between Chordgrass Way and River Oats Ln

Two (2) 4" DBH Oak (Quercus sp.), (chordgrass way)
One (1) 5" DBH Oak (Quercus sp.), (chordgrass way)
One (1) 6" DBH Oak (Quercus sp.), (chordgrass way)
One (1) 8" DBH Oak (Quercus sp.), (chordgrass way)
One (1) 10" DBH Oak (Quercus sp.), (River Oats)
One (1) 8" DBH Oak (Quercus sp.), (River Oats)

Identified hazards and obstacles

No Critical Hazards

Hazard: Pedestrians

Obstacle: Busy Street

Obstacle: Car

Obstacle: Driveway

Obstacle: Narrow Roadway

Obstacle: Sidewalk

Obstacle: Understory Trees and Shrubs

underground utilities

Total: \$14,438.94

Plus Applicable Taxes

Your and Our Acceptance:

This Agreement will become effective only after acceptance as evidenced by the respective signatures of the parties' authorized representatives. This Agreement includes all of your and our obligations. No person has authority to make any claim, representation, promise or condition on our behalf that is not documented within this Agreement.

By _____**Jessica Smith (GE)****Date** 2/24/2025**Green Earth Southeast, LLC.****By** _____**Date** _____**Nature Walk CDD**

Tab 6



Proposal #73100

Date: 2/24/2025

Nature Walk CDD

Santa Rosa Beach, FL 32459

Landscape Service Provider:

Green Earth Southeast, LLC.
15167 Highway 331 Business
Suite B.
Freeport, FL 32439

Constitutes the entire agreement between the aforementioned parties and includes the scope of service, guarantees, terms and conditions, pricing, and payment responsibilities for landscape services provided at:

Nature Walk CDD

Santa Rosa Beach, FL 32459

Rose Fertilization - Enhancement Proposal

*Pricing is subject to change at any time during the course of the Project/Enhancement due to price of material and supply/demand.

Any necessary irrigation modifications are not included in this work order and will be billed time and materials at our current irrigation labor rate.

Work order scope:

Pull back pine straw from base of roses.

Apply Rose Fertilizer to all highlighted areas below.





Total: \$835.76

Plus Applicable Taxes

Your and Our Acceptance:

This Agreement will become effective only after acceptance as evidenced by the respective signatures of the parties' authorized representatives. This Agreement includes all of your and our obligations. No person has authority to make any claim, representation, promise or condition on our behalf that is not documented within this Agreement.

By _____**Eric Evans (GE)****Date** 2/24/2025**Green Earth Southeast, LLC.****By** _____**Date** _____**Nature Walk CDD**

Tab 7



Proposal #73066

Date: 2/24/2025

Nature Walk CDD

Santa Rosa Beach, FL 32459

Landscape Service Provider:

Green Earth Southeast, LLC.
15167 Highway 331 Business
Suite B.
Freeport, FL 32439

Constitutes the entire agreement between the aforementioned parties and includes the scope of service, guarantees, terms and conditions, pricing, and payment responsibilities for landscape services provided at:

Nature Walk CDD

Santa Rosa Beach, FL 32459

Bed Edging + Pine Nugget Install - Enhancement Proposal

*Pricing is subject to change at any time during the course of the Project/Enhancement due to price of material and supply/demand.

Any necessary irrigation modifications are not included in this work order and will be billed time and materials at our current irrigation labor rate.

Work order scope:

Remove all pine straw in highlighted islands.

Grade areas and prepare for the installation of pine bark mini nuggets.

Install aluminum bed edging to maintain the mulch in the beds. (Roadside edges only)

Haul away all related debris.







Total: \$14,384.88

Plus Applicable Taxes

Your and Our Acceptance:

This Agreement will become effective only after acceptance as evidenced by the respective signatures of the parties' authorized representatives. This Agreement includes all of your and our obligations. No person has authority to make any claim, representation, promise or condition on our behalf that is not documented within this Agreement.

By _____
Eric Evans (GE)
Date 2/24/2025

Green Earth Southeast, LLC.

By _____
Date _____
Nature Walk CDD

Tab 8



Proposal #73303

Date: 2/24/2025

Nature Walk CDD

Santa Rosa Beach, FL 32459

Landscape Service Provider:

Green Earth Southeast, LLC.
15167 Highway 331 Business
Suite B.
Freeport, FL 32439

Constitutes the entire agreement between the aforementioned parties and includes the scope of service, guarantees, terms and conditions, pricing, and payment responsibilities for landscape services provided at:

Nature Walk CDD

Santa Rosa Beach, FL 32459

Cinnamon Fern Lane - Thinning Shrubberty

*Pricing is subject to change at any time during the course of the Project/Enhancement due to price of material and supply/demand.

Any necessary irrigation modifications are not included in this work order and will be billed time and materials at our current irrigation labor rate.

Reduce the total shrubberty on Cinnamon Fern Lane (north side)
Refresh pine straw in areas where plants were removed.
Haul away all related debris.



ISSUE 1



ISSUE 2



ISSUE 3



ISSUE 4



ISSUE 5



ISSUE 5



ISSUE 6



ISSUE 7

Total: \$4,541.96

Plus Applicable Taxes

Your and Our Acceptance:

This Agreement will become effective only after acceptance as evidenced by the respective signatures of the parties' authorized representatives. This Agreement includes all of your and our obligations. No person has authority to make any claim, representation, promise or condition on our behalf that is not documented within this Agreement.

By _____**Eric Evans (GE)****Date** 2/24/2025**Green Earth Southeast, LLC.****By** _____**Date** _____**Nature Walk CDD**

Tab 9

Pat Shea's Concrete, Inc
236 Escanaba Ave
Panama City Beach, FL 32413

Proposal

Date
2/26/2025

Name / Address
NatureWalk CDD c/o Rizzetta & Company, Inc 3434 Colwell Ave, Suite 200 Tampa, FL 33614

Project
NatureWalk

Description	Total
Curbs & Sidewalk	8,445.00
Patch Curbs @ Approx 85 - 90 Locations	
Repair Sidewalk @ 4 locations, Including Tearing out 11 ft of Sidewalk & Repouring.	
Labor - Clean out each area & patch tear out, repour sidewalk & dig out roots.	
Materials - Concrete, wire (sidewalk) patching material, need approx 5 buckets.	
Approx \$165.00 a buck (patching materials)	\$825.00
1 yrd concrete & wire	\$420.00
Approx 3 1/2 Days for patching @ \$1,600.00 per day	\$5,600.00
1 Day Sidewalk Labor	\$1,600.00
Approx 4 1/2 Days to finish	
Labor Total - \$7,200.00	
Materials Total - \$1,245.00	
Final Total - \$8,445.00	
DOES NOT INCLUDE - EXCAVATION , PRETREAT, ANCHORING HARDWARE (BOLTS, STRAPS,POST BRACKETS, ETC..) FILL DIRT, FILLING SLAB TO GRADE, SITE PREPERATION, BLOCK OR BLOCK FILL, UNLESS SPECIFIED ABOVE.	Total \$8,445.00

Tab 10

SETTLEMENT AGREEMENT

This **SETTLEMENT AGREEMENT** (this "Agreement") is made and entered into effective as of the ~~1st~~ day of ~~July~~March, 202~~35~~4 (the "Effective Date"), by and between **CH HOLDINGS INC.** ("CH Holdings"), a Florida corporation, **TITAN ACQUISITIONS, LLC** ("TITAN" and together with CH Holdings, "CHH"), a Florida limited liability company, **NATUREWALK COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special purpose government (the "District") duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the "Act") and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as successor in interest to U.S. Bank National Association, a national banking association, as Trustee (the "Trustee"). In this Agreement, CH Holdings, TITAN, the District and the Trustee are hereinafter sometimes referred to separately as "Party" and collectively as "Parties."

RECITALS

A. The District is a local unit of special purpose government duly organized and existing under the provisions of the Act, by Ordinance No. 05-23 enacted by the Board of County Commissioners of Walton County, Florida on June 28, 2005, and is validly existing under the Constitution and laws of the State of Florida.

B. Pursuant to the authority of the Act, the District issued its (i) Capital Improvement Revenue Bonds, Series 2007A (the "2007A Bonds") and (ii) Capital Improvement Revenue Bonds, Series 2007B (the "2007B Bonds" and together with the 2007A Bonds, the "District Bonds") for purposes of financing various infrastructure improvements within the District which provide benefits to the lands within the District.

C. The District Bonds were issued pursuant to the Act and the Master Trust Indenture, dated as of March 1, 2007 (the "Master Indenture"), by and between the District and the Trustee, as supplemented by that certain First Supplemental Trust Indenture, dated as of March 1, 2007.

D. Pursuant to the Act and Chapter 170, *Florida Statutes*, as amended, the District levied non-ad valorem special assessments (the "Debt Assessments") securing the District Bonds on those developable portions of the benefitted lands within the District.

E. Pursuant to the Act and Chapter 170, *Florida Statutes*, as amended, the District also levied non-ad valorem special assessments (the "O&M Assessments") to pay the operating and maintenance expenses of the District.

F. CHH jointly acquired the following parcel via that certain Tax Deed (the "Tax Deed") dated September ~~6~~10, 202~~24~~4 and recorded in Official Records Book ~~326~~335, Page ~~4024~~3788 of the public records of Walton County, Florida (the "CHH Parcel"):

Parcel ID No. 11-3S-19-25010-000-00~~EH~~0 (~~3.22~~07 acres, also referred to as "Parcel ~~EH~~H").

G. Prior to issuance of the Tax Deed, the CHH Parcel was owned by New Naturewalk, LLC, a Florida limited liability company (the "SPE"), which SPE held title to the CHH Parcel as an accommodation to the Trustee.

H. There exists certain delinquencies in Debt Assessments securing repayment of the Bonds (the "Delinquent Debt Assessments") against the CHH Parcel.

I. The O&M Assessments are collected annually by the Walton County Tax Collector according to the Uniform Method (the "Uniform Method") afforded by Chapter 197, Florida Statutes, and are not currently delinquent on the CHH Parcel.

J. CHH desires to enter into this Agreement to pay the amounts described herein to cure the delinquencies against the CHH Parcel.

K. The Trustee has received direction from not-less-than one hundred percent (100%) of the holders of the District Bonds to enter into this Agreement on their behalf.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the Parties, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and are incorporated by reference herein as a material part of this Agreement.

2. CHH OBLIGATIONS. In order to induce the District and Trustee to execute, deliver and perform under this Agreement, CHH covenants and agrees to:

- (A) ~~to~~ pay a portion of the Delinquent Debt Assessments with respect to the CHH Parcel and the District Bonds in an amount equal to \$~~600~~425,000.00 within ~~thirty~~fifteen (~~30~~15) days of the Effective Date (the "Settlement Amount"); and
- (B) enter into a True-Up and Additional Consideration Agreement (the "True-Up Agreement"), the form of which is attached hereto as Exhibit A.

In addition, after the payment of the Settlement Amount described above and a two-year abatement period ~~for years 2023—2025 (October 1, 2023—September 30, 2025)~~ending April 30, 2026 (the "Two Year Abatement"), CHH and the Trustee acknowledge and the District agrees that commencing in fiscal year ~~2025-2026 (October 1, 2025—ended September 30, 2026)~~ended September 30, 2026, the District will certify annual Debt Assessments installments for collection by the tax collector on the CHH Parcel equal to approximately \$1,~~0~~500.100 per unit (which includes annual principal and interest due on the 2007A Bonds, but is *exclusive* of early payment discounts and applicable collection costs), based on an assumption that ~~20~~six (6) units will be developed and platted on the CHH Parcel (the "New 2007A Debt Assessments"). The Parties acknowledge and agree that the District's use of the Uniform Method, and collection of the New 2007A Debt Assessments by the tax collector in any given year does not preclude the District's direct collection of the New

2007A Debt Assessments in future years. The New 2007A Debt Assessments will be assigned to individual units following each unit's platting.

CHH and the District agree the New 2007A Debt Assessments will come due annually following the Two Year Abatement until paid and a new amortization schedule will be reinstituted in accordance with the provisions hereof and allocated to the CHH Parcel based on the proposed Unit Counts and amortization schedule set forth on Exhibit B attached hereto, subject to final platting. CHH and the District agree to enter into the True-Up Agreement with respect to the CHH Parcel providing for (i) a true-up payment (the "True-Up Payment") in the event less than a total of 20six (6) units are platted on the CHH Parcel (\$138,0041.4719 per unit for each unit less than 206 platted) or (ii) the payment of additional consideration ("Additional Consideration") of \$350,000.00 per unit in excess of 20six (6) units platted on the CHH Parcel, all as described in the Exhibit A attached hereto. Moreover, in the event the number of platted units exceeds 20six (6), the Parties agree that each of the units in excess of 20six (6) will be assessed in the same manner as provided above for the 20six (6) units that are currently anticipated to be developed and platted. The annual payment of approximately \$1,500.10 per unit shall satisfy the repayment of the 2007A Bonds with respect to the CHH Parcel, including all required principal and interest, but exclusive of collection costs and early payment discounts.

Upon payment of the Settlement Amount the District and Trustee warrant and represent CHH will be current in all amounts owed to the District with respect to the CHH Parcel with only regularly scheduled annual O&M Assessments and (decelerated) and New 2007A Debt Assessments coming due in fiscal year ~~2025-2026 (October 1, 2025—ended~~ September 30, 20267).

3. DISTRICT OBLIGATIONS. In order to induce CH Holdings, TITAN and the Trustee to execute, deliver and perform under this Agreement, the District covenants and agrees that upon receipt of the Settlement Amount, as described herein, the District shall:

- (A) waive all penalties imposed on the Delinquent Debt Assessments with respect to the CHH Parcel;
- (B) waive all past due accrued and unpaid interest that is not otherwise paid as provided by this Agreement on the Delinquent Debt Assessments with respect to the CHH Parcel;
- (C) the District shall continue to annually levy and collect O&M Assessments against the CHH Parcel based on its existing assessment methodology and annual budget. O&M Assessments will be levied and collected on an annual basis against individual units following each unit's platting in accordance with the District's adopted assessment methodology and annual budget. In all events, upon final platting of the CHH Parcel, O&M Assessments shall be levied and collected on an annual basis against the individual platted units within the CHH Parcel on a per-unit basis. The forgoing is intended to make clear that once the entirety of the CHH Parcel is platted, O&M Assessments will be based on the actual number of units platted, whether more than, less than, or equal to the 20six (6) units

currently anticipated. Nothing herein shall be construed in any way to limit the District's budgeting authority or its authority to change, amend, or revise its assessment methodology relative to the O&M Assessments.

- (D) the District shall upon recordation of the final plat for the CHH Parcel and receipt of any True-Up Payment or Additional Consideration, if applicable, assist the Trustee as needed in the cancellation of the remaining outstanding 2007B Bonds secured by the CHH Parcel and adjust the principal amount of the 2007A Bonds outstanding to conform with the total number of units platted as described herein. The District shall further record in its Improvement Lien Book a reduction of the District's Debt Assessments in connection with the CHH Parcel in accordance with the cancellation of the Outstanding 2007B Bonds and reduction in the principal amount of the 2007A Bonds associated with the CHH Parcel.

4. TRUSTEE OBLIGATION. In order to induce CHH and TITAN to execute, deliver and perform under this Agreement, Trustee shall cause the SPE to execute and deliver to CHH and TITAN contemporaneously upon CHH's and TITAN'S execution and delivery of this Agreement and the Settlement Agreement a quitclaim deed for the CHH Parcel (the "SPE Quit Claim Deed") in the form attached hereto as Exhibit C.

5. AGREEMENT REGARDING NEW ASSESSMENT LEVELS AND COLLECTIONS THEREON. The Parties agree that so long as CHH is current on its obligations under Section 2 of this Agreement, including the payment of the New 2007A Debt Assessments and O&M Assessments, the District will not take action to foreclose on the CHH Parcel. The Trustee, on behalf of the Bondholders of the District Bonds consents and agrees to the foregoing and agrees that it shall not and cannot direct the District to take any action inconsistent with the foregoing.

6. EVENT OF DEFAULT. The occurrence of any of the following, without the prior written consent of the Trustee, shall constitute an "Event of Default" under this Agreement.

- (A) If any of the representations or warranties made hereunder by or on behalf of CHH (including the Recitals hereto) shall not have been true, accurate or complete in any material respect when made.
- (B) CHH shall assert in writing that this Agreement is not enforceable.
- (C) CHH (i) petitions for relief, or has a petition for relief filed against it, under the United States Bankruptcy Code, (ii) petitions for relief, or has a petition for relief filed against it, pertaining to any reorganization, composition, readjustment, liquidation of assets, or similar relief under any present or future law or regulation, or (iii) seeks, or fails to prevent, the appointment of any trustee, receiver or liquidator of CHH or of substantially all of the assets of CHH, or (iv) makes a general assignment for the benefit of creditors, or (v) is unable, or admits in writing its

inability, to pay its debts generally as they become due (any, some or all of (i) through (v).

- (D) CHH shall fail to pay the Settlement Amount or comply with the payment obligations in Section 2.

Upon the occurrence of an Event of Default, the Trustee may, terminate this Agreement, and/or proceed with any and all rights and remedies under applicable law, under this Agreement or otherwise available to the Trustee, subject to the Cure Period (as defined herein). Upon the occurrence of an Event of Default in (A), (B) or (D) in this Section 6, CHH shall send prompt written notice to the Trustee which shall serve as written notice from the Trustee commencing the Cure Period (defined herein). Upon sending written notice, CHH will have 30 calendar days to cure such Event of Default in (A), (B) or (D) in this Section 6 (the "Cure Period") described herein. CHH has no right to notice from the Trustee or a cure period with regard to (C) in this Section, but shall promptly send written notice to the Trustee should any of the events in (C) occur.

7. DEEMED AMENDMENT OF INDENTURE; CONSENT. To the extent that the provisions of this Agreement conflict with any provision of the Master Indenture, the Master Indenture shall be deemed to be amended to conform to the conflicting provision of this Agreement and any provisions required for such amendments are waived. Consent to such amendment shall be evidenced in the written direction to the Trustee by the Beneficial Owners of one hundred percent (100%) of the outstanding District Bonds to execute this Agreement.

8. AGREEMENT. This instrument shall constitute the final and complete expression of this Agreement among the Parties relating to the subject matter of this Agreement.

9. 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 all of the parties hereto and subject to the written consent of not less than 100% of the outstanding District Bonds.

10. 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.

11. THIRD PARTY BENEFICIARY. The Parties hereto agree and acknowledge that the Trustee is executing this Agreement with the consent of, and at the direction of, the Bondholders of the District Bonds and that the Bondholders of the District Bonds, although not a signatory hereto, are nonetheless third-party beneficiaries of this Agreement. The Parties further agree and acknowledge that the covenants, settlements, representations and warranties made herein by the Parties are also for the benefit of CHH's successors in title to the CHH Parcel.

12. CONTROLLING LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State

of Florida. Each Party consents that the venue for any litigation arising out of or related to this Agreement shall be in Walton County, Florida.

13. EFFECTIVE DATE AND TERM. This Agreement shall be effective as of the Effective Date. If CHH fails to timely pay the Settlement Amount, then this Agreement shall terminate in its entirety. Upon any such termination, any amounts that are due and owing as to the CHH Parcel, including, but not limited to Debt Assessments that have accrued, shall immediately become due and payable to the District. This Agreement shall terminate subject to Section 22 herein, following: payment in full of (i) the Settlement Amount and (ii) a True-Up Payment or Additional Consideration, if required, following final platting of the CHH Parcel.

14. CH HOLDINGS'S REPRESENTATIONS, WARRANTIES AND COVENANTS. CH Holdings hereby represents and warrants to the District and the Trustee that:

- (A) CH Holdings is a for profit corporation, duly organized and validly existing in the State of Florida;
- (B) CH Holdings has the requisite right, legal capacity, power and authority to enter into this Agreement and to perform its obligations hereunder;
- (C) The person executing this Agreement on behalf of CH Holdings represents that he or she is duly authorized to execute this Agreement and to bind CH Holdings;
- (D) Neither the execution and delivery of this Agreement nor the performance hereunder by CH Holdings will result in any breach of, or constitute a default under or conflict with, any agreement, covenant or obligation binding upon CH Holdings; and
- (E) This Agreement has been duly authorized and executed by CH Holdings in accordance with the articles of organization, operating agreement and other applicable organizational documents of CH Holdings.

15. TITAN'S REPRESENTATIONS, WARRANTIES AND COVENANTS. TITAN hereby represents and warrants to the District and the Trustee that:

- (A) TITAN is a limited liability company, duly organized and validly existing in the State of Florida;
- (B) TITAN has the requisite right, legal capacity, power and authority to enter into this Agreement and to perform its obligations hereunder;
- (C) The person executing this Agreement on behalf of TITAN represents that he or she is duly authorized to execute this Agreement and to bind TITAN;
- (D) Neither the execution and delivery of this Agreement nor the performance hereunder by TITAN will result in any breach of, or constitute a default

under or conflict with, any agreement, covenant or obligation binding upon TITAN; and

- (E) This Agreement has been duly authorized and executed by TITAN in accordance with the articles of organization, operating agreement and other applicable organizational documents of TITAN.

16. REPRESENTATIONS AND WARRANTIES OF THE DISTRICT. The District hereby represents and warrants to CHH and the Trustee that:

- (A) The District is a unit of special purpose government duly organized and validly existing in good standing under Chapter 190, *Florida Statutes*;
- (B) The District has the requisite right, legal capacity, power and authority to enter into this Agreement and to perform its obligations under this Agreement;
- (C) This Agreement has been duly authorized and executed by the District in accordance with all applicable law and authority documents applicable to the District;
- (D) The person executing this Agreement on behalf of the District represents that he or she is duly authorized to execute this Agreement and to bind the District; and
- (E) Neither the execution and delivery nor the performance of this Agreement by the District conflicts with, is a breach of, or constitutes a default under, any agreement, covenant or obligation binding upon the District.

17. REPRESENTATIONS AND WARRANTIES OF THE TRUSTEE. The Trustee hereby represents and warrants to CHH and the District that:

- (A) The Trustee is executing this Agreement solely at the direction and consent of 100% in principal amount of the Holders of the Outstanding District Bonds.
- (B) The Trustee is a national banking association duly organized and validly existing in good standing under the law of the United States;
- (C) The Trustee has the requisite right, legal capacity, power and authority to enter into this Agreement and to perform its obligations under this Agreement;
- (D) This Agreement has been duly authorized, executed and delivered by the Trustee in accordance with all applicable organizational and authority documents of Trustee and any agreements binding upon the Trustee;

- (E) The person executing this Agreement on behalf of the Trustee represents that he or she is duly authorized to execute this Agreement and to bind the Trustee; and
- (F) Neither the execution and delivery nor the performance of this Agreement by the Trustee conflicts with, is a breach of, or constitutes a default under, any agreement, covenant or obligation binding upon the Trustee.

18. NOTICES. Except as may be expressly stated to the contrary in this Agreement, notices, documents, demands, or certificates given by any Party in connection with this Agreement or the performance by either Party under this Agreement shall be in writing and shall be delivered or sent by one of the following methods: (a) in person (by hand delivery or professional messenger service) to the addressee Party, (b) registered or certified mail, with postage prepaid, return receipt requested, (c) Express Mail of the U.S. Postal Service or Federal Express (a/k/a FedEx) or any other courier service guaranteeing next business day delivery, charges prepaid, or (d) by email transmission. Notices shall be sent or delivered to the following addresses:

If to the District: NatureWalk Community Development District
Attention: District Manager/~~Kim O'Mera~~[Holly Bailey](#)
Rizzetta & Company, Inc.
120 Richard Jackson Blvd., Suite 220
Panama City Beach, FL 32407
Email: ~~komera~~[hbailey](mailto:hbailey@rizzetta.com)@rizzetta.com

With a copy to: District Counsel/Joseph Brown
Kutak Rock LLP
107 W College Avenue
Tallahassee, FL 32301
Telephone: 850-692-7300
Email: joseph.brown@kutakrock.com

If to CHH/TITAN: CH Holdings Inc.
Attention: Chris B. Hemmings
1510 S. Clark Avenue
Tampa, FL 33629
Email: anchortitletampa@gmail.com

With a copy to: David W. Adams
Bennet Jacobs & Adams, P.A.
P.O. Box 3300
Tampa, FL 33601-3300
Telephone: 813-452-2882
Email: dadams@bja-law.com

If to the Trustee: U.S. Bank Trust Company, National Association
Account Manager/Vice President

Corporate Trust Services
Two James Center
1021 East Cary Street, 18th Floor
Richmond, VA 23219
Attention: Christopher H. Gehman
Email: christopher.gehman@usbank.com

With a copy to: Greenberg Traurig, P.A.
450 South Orange Avenue, Suite 650
Orlando, FL 32801
Attention: Warren S. Bloom, Esq.
Email: bloomw@gtlaw.com

Any such notice, document, demand, or certificate sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received upon the earlier of actual receipt or seventy-two (72) hours after the same is so addressed and mailed with postage prepaid. Notices delivered by Express Mail of the U.S. Postal Service or Federal Express (a/k/a FedEx) or other courier service guaranteeing next business day delivery shall be deemed to have been given twenty-four (24) hours after delivery of the same to the U.S. Postal Service or private courier, with charges prepaid and instructions for next business day delivery. If any notice is transmitted by email, the same shall be deemed served or delivered upon transmission thereof, assuming no error receipt has been received within twenty-four (24) hours after transmission thereof. Any notice, document, demand, or certificate sent by any other method shall be effective only upon actual receipt thereof or the addressee's refusal to accept delivery, whichever occurs first. Any Party may change its address for purposes of this Section 18 by giving notice to the other Party as provided herein.

19. TIME OF THE ESSENCE. Time shall be of the essence as to all dates, deadlines and times of performance under this Agreement. Notwithstanding the foregoing, in the event any date or any deadline for the performance of an action or the giving of any notice falls on any day that is not a Business Day, or any period provided for in this Agreement shall expire on any day that is not a Business Day, then the date for the performance of such action or giving of such notice, or the expiration date of such period, as applicable, shall be automatically extended to midnight of the next following Business Day. For the purposes of this Agreement, the term "Business Day" shall mean and refer to any day that is not a Saturday, Sunday, or national holiday.

20. GOOD FAITH AND FAIR DEALING. The Parties agree to exercise good faith and fair dealing in the performance of their respective contractual obligations hereunder.

21. PUBLIC RECORDS. The Parties understand and agree that all documents of any kind provided to the District or CHH in connection with this Agreement may be public records and treated as such in accordance with Florida law.

22. SURVIVAL OF CERTAIN PROVISIONS. The provisions of Sections 10, 11, 23, 24 and 25 of this Agreement shall survive the expiration or earlier termination of this Agreement. Section 3 shall survive the expiration of this Agreement.

23. 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.

24. LIMITATIONS ON LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

In addition, any provision of this Agreement to the contrary notwithstanding, the Trustee has executed this Agreement only in its capacity as the trustee under the Master Indenture and only for the purpose of evidencing the consent of the Bondholders of the District Bonds to the transactions contemplated herein, and not individually or for the purpose of being bound in its individual or personal capacity. The Trustee shall not have any individual or personal liability under or related to this Agreement.

25. FURTHER ASSURANCES. The Parties agree to execute, acknowledge, deliver and record such certificates, amendments, instruments, and documents, and to take such other action, as may be reasonably necessary to carry out the intent and purposes of this Agreement.

26. 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.

27. ASSIGNMENT AND TRANSFERS. CHH may assign or sell their rights, duties or obligations under this Agreement or any monies to be paid under this Agreement without the prior written consent of any other Party. CHH shall require as a condition of the sale to any third-party purchasing all or a portion of the CHH Parcel for value, on which no plat has been recorded in the land records of Walton County, that such third-party shall enter into a true-up agreement on the same terms and conditions as the True-Up Agreement attached hereto and incorporated herein as Exhibit A. The District shall also be required to enter into a true-up agreement on the same terms and conditions as the True-Up Agreement attached hereto and incorporated herein as Exhibit A with any third party purchasing all or a portion of the CHH Parcel for value on which no plat has been recorded in the land records of Walton County.

28. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, each of the Parties, knowingly, voluntarily and intentionally waives any right each may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Agreement, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any Party with respect hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Chris B. Hemmings, [President](#)

Date: _____

Nick Garcia, Managing Member

Title:

Date: _____

ATTEST:

**NATUREWALK COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By:_____
Jonette Coram, Chair, Board of Supervisors

Date:_____

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee**

By: _____

Christopher H. Gehman, Vice President

Name: _____

Title: _____

Date: _____

EXHIBIT A

FORM OF TRUE-UP AND ADDITIONAL CONSIDERATION AGREEMENT

[ATTACHED]

EXHIBIT B

**CHH PARCEL – AMORTIZATION SCHEDULE
(PER UNIT)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2026	260.89	5.500%	497.75	758.64	
11/01/2026			241.70	241.70	1,000.34
05/01/2027	531.56	5.500%	241.70	773.26	
11/01/2027			227.08	227.08	1,000.34
05/01/2028	561.62	5.500%	227.08	788.70	
11/01/2028			211.64	211.64	1,000.34
05/01/2029	593.39	5.500%	211.64	805.03	
11/01/2029			195.32	195.32	1,000.35
05/01/2030	626.95	5.500%	195.32	822.27	
11/01/2030			178.08	178.08	1,000.35
05/01/2031	662.40	5.500%	178.08	840.48	
11/01/2031			159.86	159.86	1,000.34
05/01/2032	699.86	5.500%	159.86	859.72	
11/01/2032			140.62	140.62	1,000.34
05/01/2033	739.45	5.500%	140.62	880.07	
11/01/2033			120.28	120.28	1,000.35
05/01/2034	781.27	5.500%	120.28	901.55	
11/01/2034			98.80	98.80	1,000.35
05/01/2035	825.45	5.500%	98.80	924.25	
11/01/2035			76.10	76.10	1,000.35
05/01/2036	872.13	5.500%	76.10	948.23	
11/01/2036			52.11	52.11	1,000.34
05/01/2037	921.46	5.500%	52.11	973.57	
11/01/2037			26.77	26.77	1,000.34
05/01/2038	973.57	5.500%	26.77	1,000.34	
11/01/2038					1,000.34
	9,050.00		3,954.47	13,004.47	13,004.47

**Naturewalk Community Development District Special
Assessment Revenue Bonds, Series 2007A**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
05/01/2027	797.12	5.500%	362.45	1,159.57	
11/01/2027			340.53	340.53	1,500.10
05/01/2028	842.20	5.500%	340.53	1,182.73	
11/01/2028			317.37	317.37	1,500.10
05/01/2029	889.83	5.500%	317.37	1,207.20	
11/01/2029			292.90	292.90	1,500.10
05/01/2030	940.16	5.500%	292.90	1,233.06	
11/01/2030			267.04	267.04	1,500.10
05/01/2031	993.33	5.500%	267.04	1,260.37	
11/01/2031			239.73	239.73	1,500.10
05/01/2032	1,049.51	5.500%	239.73	1,289.24	
11/01/2032			210.87	210.87	1,500.11
05/01/2033	1,108.86	5.500%	210.87	1,319.73	
11/01/2033			180.37	180.37	1,500.10
05/01/2034	1,171.57	5.500%	180.37	1,351.94	
11/01/2034			148.15	148.15	1,500.09
05/01/2035	1,237.83	5.500%	148.15	1,385.98	
11/01/2035			114.11	114.11	1,500.09
05/01/2036	1,307.84	5.500%	114.11	1,421.95	
11/01/2036			78.15	78.15	1,500.10
05/01/2037	1,381.80	5.500%	78.15	1,459.95	
11/01/2037			40.15	40.15	1,500.10
05/01/2038	1,459.95	5.500%	40.15	1,500.10	
11/01/2038					1,500.10
	13,180.00		4,821.19	18,001.19	18,001.19

EXHIBIT C

FORM OF SPE QUITCLAIM DEED

[ATTACHED]

Summary report: Litera Compare for Word 11.8.0.56 Document comparison done on 2/28/2025 10:00:02 PM	
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Delete	50
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	2
Embedded Excel	0
Format changes	0
Total Changes:	101

This instrument was prepared by and
Upon recording should be returned to:

(This space reserved for Clerk)

Warren S. Bloom, Esq.
Greenberg Traurig, P.A.
450 S. Orange Avenue, Suite 650
Orlando, FL 32801

Parcel Identification No. 11-3S-19-25010-000-00EH0

**AGREEMENT BETWEEN
NATUREWALK COMMUNITY DEVELOPMENT DISTRICT,
CH HOLDINGS, INC., AND TITAN ACQUISITIONS, LLC,
REGARDING
THE TRUE-UP AND PAYMENT OF 2007A DEBT ASSESSMENTS AND ADDITIONAL
CONSIDERATION**

This Agreement is made and entered into as of this ~~1st~~ day of ~~July~~March 202~~3~~5
by and between:

Naturewalk Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, and located in Walton County, Florida, whose address is 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614 ("District"); and

CH Holdings, Inc., a Florida for profit company, whose address is 1510 S. Clark Avenue, Tampa, Florida 33629 and its successors and assigns ("CH Holdings"); and

Titan Acquisitions, LLC, a Florida limited liability company, whose address is 840 South Davis Boulevard, Tampa, Florida 33606 and its successors and assigns ("TITAN" and together with CH Holdings, "CHH").

RECITALS

WHEREAS, the District was created by Ordinance No. 05-23 enacted by the Board of County Commissioners of Walton County, Florida on June 28, 2005, and is duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"); and

WHEREAS, the District, pursuant to Chapter 190, Florida Statutes, is authorized to levy such taxes, special assessments, fees and other charges as may be necessary in furtherance of the District's activities and services; and

WHEREAS, pursuant to the authority of the Act, the District issued its (i) Capital Improvement Revenue Bonds, Series 2007A (the "2007A Bonds") and (ii) Capital Improvement

Revenue Bonds, Series 2007B (the "2007B Bonds" and together with the 2007A Bonds, the "District Bonds") pursuant to the Master Trust Indenture, dated as of March 1, 2007 (the "Master Indenture"), by and between the District and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, a national banking association, as Trustee (the "Trustee"), as supplemented by that certain First Supplemental Trust Indenture, dated as of March 1, 2007 pursuant to which the District Bonds were issued for purposes of financing various infrastructure improvements within the District which provide benefits to the lands within the District; and

WHEREAS, pursuant to the Act and Chapter 170, Florida Statutes, as amended, the District levied non-ad valorem special assessments (the "Debt Assessments") securing the District Bonds on those developable portions of the benefitted lands within the District; and

WHEREAS, as of the date of this Agreement, CHH is currently the undivided owner of Parcel ID No. 11-3S-19-25010-000-00~~EH~~0 (~~3.22.07~~ acres, also referred to as "Parcel ~~EH~~") (the "CHH Parcel"); and

WHEREAS, CHH, the District and the Trustee have entered into the Settlement Agreement of even date hereto (the "Settlement Agreement") to address certain outstanding delinquencies in the payment of Debt Assessments securing repayment of the 2007A Bonds (the "2007A Debt Assessments") and the 2007B Bonds (the "2007B Debt Assessments") and other amounts owed to the District; and

WHEREAS, upon platting of the CHH Parcel and subsequent payment of a True-Up Payment or Additional Consideration (each as defined herein), if any, the 2007B Debt Assessments and related 2007B Bonds will be cancelled; and

WHEREAS, pursuant to the terms of the Settlement Agreement, CHH has committed to the development of ~~20~~six (6) units on the CHH Parcel to secure repayment of the 2007A Bonds, but the actual densities developed may be more or less than the densities assumed herein; and

WHEREAS, the District and CHH desire to create a mechanism by which CHH shall make certain payments to the District in order to satisfy, in whole or in part, the assessments allocated and the liens imposed with respect to the CHH Parcel; and

WHEREAS, CHH and the District desire to enter into this Agreement to (i) confirm CHH's intentions and obligations to pay to the District at time of platting related to the 2007A Debt Assessments when due in the event the total number of units platted on the CHH Parcel is less than ~~20~~six (6) at \$~~138,004~~1.4719 per unit (the "True-Up Payment") and (ii) confirm CHH's intentions and obligations to make a payment of \$~~350,000.00~~ per unit at the time of platting for each unit in excess of ~~20~~six (6) units ("Additional Consideration").

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The recitals so stated are true and correct and by this reference are incorporated into and form a material part of this Agreement.

2. **VALIDITY OF ASSESSMENTS.** CHH agrees that the Debt Assessments imposed as a lien by the District against the CHH Parcel, are legal, valid and binding liens. CHH hereby waives and relinquishes any rights it may have to challenge, object to or otherwise fail to pay such 2007A Debt Assessments.

3. **COVENANT TO PAY.** CHH agrees and covenants to timely pay all such 2007A Debt Assessments levied and imposed by the District on the CHH Parcel, whether the 2007A Debt Assessments are collected by the Walton County Tax Collector pursuant to Section 197.3632, Florida Statutes, by the District, or by any other method allowable by law.

4. **SPECIAL ASSESSMENT REALLOCATION.**

A. *Assumptions as to Debt Assessments.* Pursuant to the terms of the Settlement Agreement the total amount of 2007A Debt Assessments anticipated to be ultimately assessed by the District against each unit in the CHH Parcel is stipulated to be ~~\$24018,000~~1.0019 (or approximately \$1,~~0500.100~~ per unit per fiscal year with collection commencing fiscal year ~~2025-2026 (October 1, 2025 to ended~~ September 30, 20267) and ending in fiscal year ~~2037-2038 (October 1, 2037 to ended~~ September 30, 2038) assuming the total number of units platted equals ~~20~~six (6), such number of units being subject to adjustment as provided herein and in the Settlement Agreement.

B. *Process for Reallocation of Assessments.* The 2007A Debt Assessments imposed on the CHH Parcel being platted or submitted for site plan review will be allocated based upon the actual number and type of units being platted. In furtherance thereof, at such time the CHH Parcel is to be platted, CHH covenants that such plat shall be presented to the District.

(i) At the time that any residential plat is presented to the District, the District shall assign 2007A Debt Assessments to each unit and cause such reallocation to be recorded in the District's Improvement Lien Book.

(ii) When the proposed final plat is prepared for the CHH Parcel constituting any proposed plat submitted to the District that the District reasonably determines would render the CHH Parcel fully platted or any remaining un-platted portion of the CHH Parcel undevelopable (the "Final Plat") and presented to the District for review, approval and reallocation of the 2007A Debt Assessments, if the total amount of units to be platted is (a) less than ~~20~~six (6) units then a True-Up Payment in the amount of \$138,0041.4719 per unit for each unit below ~~20~~six (6) units will be due and payable by the party recording the Final Plat and (b) more than ~~20~~six (6) units then Additional Consideration in the amount of \$~~350,000.00~~ per unit for each unit in excess of ~~20~~six (6) units will be due and payable by CHH.

The parties agree that any True-Up Payment or Additional Consideration will be paid within fifteen (15) business days of recording the final plat.

If the True-Up Payment or Additional Consideration is not timely paid, the District, after thirty (30) days' notice to CHH that the True-Up Payment or Additional Consideration is due, may record a Notice of Lien of Unpaid Assessments over the lands contained within the Final Plat in the official records of Walton County, Florida ("Walton County"), until such time as the True-Up Payment or Additional Consideration has been paid, with such liens running with the land. The District will ensure collection of such amounts in a timely manner in order to meet its debt service obligations, and in all cases, CHH agrees that such payments shall be made in order to ensure the District's timely payment of the debt service obligations on the District Bonds. The District shall record the True-Up Payment or Additional Consideration in its Improvement Lien Book. Upon payment of the Settlement Amount and any Additional Consideration or True-Up Payment, the District shall cause the lien release for the 2007B Bond regarding the 2007B Debt Assessments to be recorded in the official records of Walton County.

(iii) The foregoing is based on CHH's representation to the District that CHH intends to develop ~~20~~six (6) units on the CHH Parcel. However, the District agrees that nothing herein prohibits more or less than ~~20~~six (6) units from being developed. As long as at least ~~20~~six (6) units are platted, no True-Up Payment will be required. In the event the total number of units platted on the CHH Parcel exceeds ~~20~~six (6), CHH agrees the District may assess each additional unit a 2007A Debt Assessment in the amount of approximately \$1,~~500~~.10 per year like the other units comprising the CHH Parcel as provided in the Settlement Agreement.

(iv) The District will commence collection of 2007A Debt Assessments in connection with the CHH Parcel beginning in fiscal year ~~2025-2026 (October 1, 2025-~~ended September 30, 202~~6~~7) in accordance with the Settlement Agreement.

5. ENFORCEMENT. This Agreement is intended to be an additional method of enforcement of CHH's obligation to pay the 2007A Debt Assessments and to abide by the application of the True-Up Payment and Additional Consideration, if required, and to guarantee payment of the True-Up Payment or Additional Consideration due on CHH Parcel. A default by either party under this Agreement shall entitle any other party to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance.

6. RECOVERY OF COSTS AND FEES. In the event either party is required to enforce this Agreement by court proceedings or otherwise, then each prevailing party, as determined by the applicable court or other dispute resolution provider, shall be entitled to recover from the non-prevailing party all fees and costs incurred, including reasonable attorneys' fees and costs incurred prior to or during any litigation or other dispute resolution and including all fees and costs incurred in appellate proceedings.

7. NOTICE. All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered via overnight delivery service, telecopied or hand delivered to the parties, as follows:

If to District:

Naturewalk Community Development District

Attention: District Manager/~~Kim O'Mera~~Holly Bailey
Rizzetta & Company, Inc.
120 Richard Jackson Blvd., Suite 220
Panama City Beach, FL 32407
Email: ~~komera~~hbailey@rizzetta.com

With a copy to: District Counsel / Joseph Brown
Kutak Rock LLP
107 W College Avenue
Tallahassee, FL 32301
Telephone: 850-692-7300
Email: joseph.brown@kutakrock.com

If to Developer: CH Holdings, Inc.
Attention: Chris B. Hemmings
1510 S. Clark Avenue
Tampa, FL 33629
Email: anchortitletampa@gmail.com

With a copy to: David W. Adams
Bennet Jacobs & Adams, P.A.
P.O. Box 3300
Tampa, FL 33601-3300
Telephone: 813-452-2882
Email: dadams@bj-law.com

If to TITAN: Titan Acquisitions, LLC
Attention: Chris B. Hemmings
1510 S. Clark Avenue
Tampa, Florida 33629
Email: anchortitletampa@gmail.com

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address set forth herein. Notices hand 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. Notwithstanding the foregoing, to the extent Florida law requires notice to enforce the collection of assessments placed on property by the District, then the provision of such notice shall be in lieu of any additional notice required by this Agreement.

8. ASSIGNMENT AND TRANSFERS. This Agreement shall run with the land. CHH may assign or sell their rights, duties or obligations under this Agreement or any monies to be paid under this Agreement without the prior written consent of any other party to the Settlement Agreement. CHH shall require as a condition of the sale to any third-party purchasing all or a portion of the CHH Parcel for value, on which no plat has been recorded in the land records of Walton County, that such third-party shall enter into a true-up agreement on the same terms and conditions as this Agreement. The District shall also be required to enter into a true-up agreement on the same terms and conditions as this Agreement with any third-party purchasing all or a portion of the CHH Parcel for value on which no plat has been recorded in the land records of Walton County.

9. AMENDMENT. This Agreement shall constitute the entire agreement between the parties and may be modified in writing only by the mutual agreement of all parties.

10. TERMINATION. This Agreement shall continue in effect until it is rescinded in writing by the mutual assent of each party. This Agreement shall automatically terminate upon payment in full of the District Bonds, or upon final allocation of all 2007A Debt Assessments to the CHH Parcel, and all True-Up Payments or Additional Consideration, if required, have been paid.

11. NEGOTIATION AT ARM'S LENGTH. This Agreement has been negotiated fully between the parties 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 party.

12. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation 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; notwithstanding the foregoing, the Trustee is made a third party beneficiary for the benefit of the bondholders to enforce the terms hereof in the event the District does not do so.

13. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, Florida Statutes or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

14. APPLICABLE LAW AND VENUE. This Agreement shall be governed by the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement shall be in Walton County, Florida.

15. EXECUTION IN COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which, when executed and delivered, shall constitute an original, and such counterparts together shall constitute 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.

16. EFFECTIVE DATE. This Agreement shall become effective after execution by the parties hereto on the date reflected above.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties execute this Agreement Regarding the True-Up and Payment of 2007A Debt Assessments and Additional Consideration the day and year first written above.

WITNESSES:

CH HOLDINGS, INC., a Florida corporation

By: _____

Chris B. Hemmings

As its _____

(Print Name of Witness)

WITNESSES:

(Print Name of Witness)

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this _____ day of _____ 202~~3~~⁵, by Chris B. Hemmings as _____ of CH Holdings, Inc., a Florida corporation, on its behalf. He/She ☐ is personally known to me or ☐ has produced _____ as identification.

NOTARY PUBLIC

WITNESSES:

TITAN ACQUISITIONS, LLC, a Florida limited liability company

By: _____

(Print Name of Witness)

As its _____

WITNESSES:

(Print Name of Witness)

STATE OF FLORIDA

COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this _____ day of _____ 202~~3~~⁵, by _____ as _____ of Titan Acquisitions, LLC, a Florida limited liability company, on its behalf. He/She ☐ is personally known to me or ☐ has produced _____ as identification.

NOTARY PUBLIC

WITNESSES:

**NATUREWALK COMMUNITY
DEVELOPMENT DISTRICT**

(Print Name of Witness)

By: _____

Jonette Coram

~~Chair~~Chairperson, Board of Supervisors

WITNESSES:

(Print Name of Witness)

STATE OF FLORIDA

COUNTY OF WALTON

The foregoing instrument was acknowledged before me by means of ☐ physical presence
or ☐ online notarization, this _____ day of _____ 20235, by Jonette Coram as
Chair of the Board of Supervisors of the Naturewalk Community Development District. He/She
☐ is personally known to me or ☐ has produced _____ as
identification.

NOTARY PUBLIC

Summary report: Litera Compare for Word 11.8.0.56 Document comparison done on 2/28/2025 10:05:23 PM	
Style name: GT-1 - No headers and footers, no moves, no comments	
Intelligent Table Comparison: Active	
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Delete	46
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	94

PREPARED BY AND RETURN TO:

~~Jason E. Merritt~~

~~Warren S. Bloom, Esq.~~

~~GREENBERG TRAURIG~~ Greenberg Traurig, P.A.

~~101 East College Avenue~~

~~450 South Orange Avenue, Suite 650~~

~~Tallahassee~~ ~~Orlando~~, Florida 323801

Parcel Identification No. 11-3S-19-25010-000-00EH0

QUIT CLAIM DEED

THIS QUIT CLAIM DEED made this ___ day of March, 20235, by and between NEW NATUREWALK, LLC, a Florida limited liability company, whose mailing address is 5701 Yeats Manor Drive, Unit 401, Tampa, Florida 33616, hereinafter called the grantor, to CH HOLDINGS, INC., a Florida corporation, as to an undivided fifty percent (50%) interest, whose address is 1510 S. Clark Avenue, Tampa, Florida 33629, and TITAN ACQUISITIONS, LLC, a Florida limited liability company, as to an undivided fifty percent (50%) interest, whose address is 840 South Davis Boulevard, Tampa, Florida 33606, hereinafter collectively called the grantee:

(Wherever used herein the term "grantee" includes the party named as such above, and its successors and assigns)

WITNESSETH:

That the grantor, for and in consideration of the sum of \$10.00 and other valuable considerations, receipt whereof is hereby acknowledged, hereby remises, releases, and quitclaims unto the grantee, all right, title and interest of grantor, if any, in and to that certain land situate in Walton County, Florida, viz:

See attached **EXHIBIT A**

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, if any.

Grantor makes no warranties or representations of any type with respect to the property which is the subject of this Quit Claim Deed.

This deed is given for the purpose of clearing any cloud on title on the property described herein arising by virtue of that certain Tax Deed dated September 610, 20224, recorded in Official Records Book 326335, Page 40243788 of the Public Records of Walton County, Florida.

TO HAVE AND TO HOLD, the same in fee simple forever.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed on this, the day and year first above written.

GRANTOR:

Signed, sealed and delivered in the presence of:

NEW NATUREWALK, LLC, a Florida limited liability company

By: Lerner Real Estate Advisors, Inc., a Florida corporation
As its sole member

Print: _____

By: _____

Print: _____

Its: _____

Print: _____

STATE OF FLORIDA }
 }
COUNTY OF HILLSBOROUGH }
 }SS

The foregoing Quit Claim Deed was acknowledged before me by means of [] physical presence or [] online notarization this ____ day of _____, 202~~3~~⁵, by _____ as _____ of Lerner Real Estate Advisors, Inc., a Florida corporation, as sole member of **NEW NATUREWALK, LLC**, a Florida limited liability company, on behalf of the company.

(Print Name _____)

NOTARY PUBLIC

State of _____

Commission # _____

My Commission Expires:

_____ Personally Known or _____ Produced I.D.

[check one of the above]

Type of Identification Produced _____

EXHIBIT A

| Tract **EH**, PLAT OF NATUREWALK AT SEAGROVE REPLAT, as recorded in Plat Book 18,
Page 8 through 8Q, inclusive, Public Records of Walton County, Florida.

Summary report: Litera Compare for Word 11.8.0.56 Document comparison done on 2/28/2025 10:10:19 PM	
Style name: GT-1 - No headers and footers, no moves, no comments	
Intelligent Table Comparison: Active	
Original DMS: iw://dmsamericas.gtlaw.com/ACTIVE/687004330/4	
Modified DMS: iw://dmsamericas.gtlaw.com/ACTIVE/707615172/1	
Changes:	
<u>Add</u>	16
Delete	16
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	32

Tab 11



Office: (888) 927-7865
Fax: (813) 200-8448
Contact@customreserves.com
5470 E Busch Blvd., Unit 171
Tampa, FL 33617

NATUREWALK COMMUNITY DEVELOPMENT DISTRICT RESERVE STUDY



For 30 Year Projection Period: FY 2024 through FY 2054

This report contains intellectual property developed by Custom Reserves, LLC specific to this engagement and cannot be reproduced or distributed to those who conduct reserve studies without the written consent of Custom Reserves, LLC. See the proposal for details concerning the use of this report.

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Property Overview



Santa Rosa Beach, FL

Latitude: 30°19'38.00"N

Longitude: 86° 7'2.35"W

Executive Summary

Custom Reserves, LLC conducted a site visit on July 30, 2024. There are 14 common area reserve components identified comprising 17 line items that require reserve funding during the noninvasive, visual inspection of the community. Supplemental information to the physical inspection typically includes the following sources:

- 1. District board members, management and staff
- 2. Client’s vendors
- 3. Declaration
- 4. Maintenance records of the reserve components where available
- 5. Project plans where available

Naturewalk Community Development District (Naturewalk CDD) is a local unit of special purpose government built in 2006, located in Santa Rosa Beach, FL and is responsible for the common elements shared by 296 owners. The development contains property site components.

A Reserve Study comprises two parts:

The intention of this Reserve Study is to forecast the District's ability to repair or replace major components as they wear out in future years. This Reserve Study complies with or exceeds all applicable statutes and national standards. Reserve Studies are a guide and should be used for budgetary purposes. Actual expenditures and times of replacements can and/or will vary.

Reference #: 171.24 **Inspection and Report by:**
Paul Grifoni, PRA, RS

Financial Analysis

The pooling method is included to project and illustrate the reserve funding plan as depicted in **Tables B and C**. The unaudited cash status of the District's reserve funds, as of September 30, 2024, as reported by Management and the Board is \$201,781. Naturewalk budgeted \$50,000 for combined reserve contributions in FY¹ 2024. A recommended reserve contribution of \$360,000 would be required in 2025 to adequately fund reserves based on this analysis utilizing a threshold funding amount of 10% in the high risk year. The District can budget inflationary increases each year thereafter until the next Reserve Study Update. The threshold or risk year falls in 2054 due to replacement of the bulkheads. Alternatively, the District can partially fund the reserves with phased increases of \$77,000 each year beginning in 2025 and concluding by 2029.

Within the pooling method, the District may use reserve funds, as needed, for those expenditures related to components which are included in the Reserve Component inventory.

External market factors incorporated in this Reserve Study are an inflation rate of 3.4% based on the Consumer Price Index published by the Bureau of Labor Statistics and an interest rate of 3.4%. Most community bylaws provide that funds shall be held in a bank, with FDIC or similar insurance to cover all funds.

The actual timing of the events depicted may not occur exactly as projected. Internal changes such as deferred or accelerated projects, and external changes such as interest and inflation rates, are likely. Updates to the Reserve Study will incorporate these changes. To ensure equity in the adopted funding plan, ongoing annual reviews and either a Non Site visit or Site Visit update of this Reserve Study is recommended in two- to three-years respectively depending on the complexity of the community, and changes in external and internal factors. It is recommended by the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

¹ FY 2024 Begins October 1, 2024 and Ends September 30, 2025.

Property Component Definitions

The analysis began by separating the property components into specific areas of responsibility for replacement and repair. These classes of property are as follows:

1. **Reserve Components** are defined as follows:
 - District responsibility
 - Limited useful life expectancies
 - Predictable remaining useful life expectancies
 - Replacement cost above a minimum threshold
2. **Operating Budget Components** are defined as follows:
 - Common area components historically funded through operating funds rather than reserve funds
 - Common area components whose replacement or repair costs fall below a specific dollar amount
3. **Long-Lived Components** are defined as follows:
 - Common area components without a predictable remaining useful life
 - Common area components with a remaining useful life beyond the 30-year scope of this reserve study
4. **Owner Components** are defined as follows:
 - Components that are not the responsibility of the District to maintain, repair or replace
5. **Other Components** are defined as follows:
 - Components that are neither the responsibility of the District nor the Owner to maintain, repair or replace

Property Component Model

COMPONENT	COMMON COMPONENTS (X)			REMAINING COMPONENTS (O)	
	RESERVES	OPERATING	LONG-LIVED	OWNER	OTHER
Asphalt Pavement, Repaving, Phased	X				
Boardwalk Trails, Wood, Phased	X				
Bridges, Wood, Phased Replacements	X				
Bridges, Wood, Stain	X				
Bulkheads, Partial	X				
Concrete Alleys, Partial	X				
Expenses Less Than \$10,000		X			
Fence, Wood, Neighboring Community					O
Fences, Wood, Pond Shorelines		X			
Fitness Stations		X			
Foundation(s)			X		
Guardrails, Bridges, Wood	X				
Guardrails, Trails, Wood, Phased	X				
Homes and Lots				O	
Irrigation System, Partial	X				
Landscaping		X			
Lift Stations					O
Light Fixtures, Bollards	X				
Light Poles and Fixtures, Phased	X				
Other Repairs Normally Funded Through the Operating Budget		X			
Pavers, Streets, Phased	X				
Pavers, Walkways, Phased	X				
Pergola, Wood	X				
Pond Fountains		X			
Railings, Bulkheads, Phased	X				
Security Camera System		X			
Sidewalks, Concrete, Partial	X				
Signage		X			
Signage, Monuments (HOA)					O
Stormwater System, Partial	X				
Structural Frame(s)			X		
Subsurface Utilities, Sanitary Waste					O
Subsurface Utilities, Water Supply					O



Table A

Reserve Expenditures

Naturewalk
Community Development District

Projected Inflation Rate 3.4%

Line Item	Reserve Components		Per	Unit of Measurement	1st Year of Replacement	Useful Life Years	Age (Year)	Remaining Life Years	2024 Unit Cost	2024 Cost of Replacement	2024 Cost of Replacement	Total 30 Year Future Costs of Replacement	Fiscal Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	
		Total	Phase							per Phase	per Total												
		Quantity	Quantity																				
1	Asphalt Pavement, Repaving, Phased	35,660	11,890	Square Yards	2031	to 25	2006	7	\$20.00	\$237,800	\$713,200	\$1,233,405								\$300,508			
2	Bridges, Wood, Phased Replacements	29,465	5,895	Square Feet	2029	15 to 25	varies	5	\$40.00	\$235,800	\$1,178,600	\$2,644,567						\$278,706					
2.1	Bridges, Wood, Stain	1	1	Allowance	2025	to 2	2023	1	\$17,000.00	\$17,000	\$17,000	\$438,857		\$17,578		\$18,794		\$20,093		\$21,483		\$22,969	
3	Boardwalk Trails, Wood, Phased	28,160	5,632	Square Feet	2029	15 to 25	varies	5	\$40.00	\$225,280	\$1,126,400	\$2,526,582						\$266,272					
4	Bulkheads, Partial	4,320	3,888	Linear Feet	2054	to 50	varies	30	\$600.00	\$2,332,800	\$2,592,000	\$6,360,535											
5	Concrete Alleys, Partial	48,425	15,980	Square Feet	2029	to 30	varies	5	\$16.00	\$255,680	\$774,800	\$1,314,198						\$302,203					
6	Guardrails, Bridges, Wood	375	375	Linear Feet	2031	to 25	2006	7	\$35.00	\$13,125	\$13,125	\$16,586								\$16,586			
6.1	Guardrails, Trails, Wood	1,640	1,640	Linear Feet	2031	to 25	varies	7	\$10.00	\$16,400	\$16,400	\$20,725								\$20,725			
7	Irrigation System, Partial	1	1	Allowance	2029	to 30	varies	5	\$15,000.00	\$15,000	\$15,000	\$77,100						\$17,729					
8	Light Fixtures, Bollards	12	12	Each	2035	to 20	varies	11	\$950.00	\$11,400	\$11,400	\$16,468											
9	Light Poles and Fixtures, Phased	115	38	Each	2031	to 25	varies	7	\$5,000.00	\$190,000	\$575,000	\$985,479								\$240,103			
10	Pavers, Streets, Phased	198,880	198,880	Square Feet	2029	3 to 5	varies	5	\$1.50	\$298,320	\$298,320	\$3,345,747						\$352,602					
10.1	Pavers, Trails, Phased	9,195	3,065	Square Feet	2029	20 to 30	varies	5	\$10.00	\$30,650	\$91,950	\$157,541						\$36,227					
11	Pergola, Wood	4,200	4,200	Square Feet	2031	to 25	2006	7	\$35.00	\$147,000	\$147,000	\$185,764								\$185,764			
12	Railings, Bulkheads, Phased	6,100	2,033	Linear Feet	2029	to 30	varies	5	\$95.00	\$193,135	\$579,500	\$992,716						\$228,278					
13	Sidewalks, Concrete, Partial	65,815	3,291	Square Feet	2029	to 65	varies	5	\$12.00	\$39,492	\$789,780	\$442,914						\$46,678					
14	Stormwater System, Partial	1	1	Allowance	2031	15 to 25	varies	7	\$20,000.00	\$20,000	\$20,000	\$103,735								\$25,274			
Total Expenditures											\$4,278,882	\$8,959,475	\$20,862,918	\$0	\$17,578	\$0	\$18,794	\$0	\$1,548,789	\$0	\$810,442	\$0	\$22,969



Table A

Reserve Expenditures
Naturewalk
Community Development District

Line Item	Reserve Components	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
		2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
1	Asphalt Pavement, Repaving, Phased								\$419,818						\$513,079							
2	Bridges, Wood, Phased Replacements	\$329,419					\$389,360					\$460,208					\$543,948					\$642,924
2.1	Bridges, Wood, Stain		\$24,557		\$26,255		\$28,071		\$30,012		\$32,088		\$34,307		\$36,679		\$39,216		\$41,928		\$44,828	
3	Boardwalk Trails, Wood, Phased	\$314,723					\$371,990					\$439,677					\$519,680					\$614,241
4	Bulkheads, Partial																					\$6,360,535
5	Concrete Alleys, Partial						\$422,187										\$589,807					
6	Guardrails, Bridges, Wood																					
6.1	Guardrails, Trails, Wood																					
7	Irrigation System, Partial						\$24,768										\$34,602					
8	Light Fixtures, Bollards		\$16,468																			
9	Light Poles and Fixtures, Phased								\$335,431						\$409,945							
10	Pavers, Streets, Phased	\$416,762					\$492,596					\$582,228					\$688,170					\$813,389
10.1	Pavers, Trails, Phased						\$50,610										\$70,704					
11	Pergola, Wood																					
12	Railings, Bulkheads, Phased						\$318,911										\$445,527					
13	Sidewalks, Concrete, Partial	\$55,171					\$65,210					\$77,076					\$91,101					\$107,678
14	Stormwater System, Partial								\$35,308						\$43,152							
	Total Expenditures	\$1,116,075	\$41,025	\$0	\$26,255	\$0	\$2,163,703	\$0	\$820,569	\$0	\$32,088	\$1,559,189	\$34,307	\$0	\$1,002,856	\$0	\$3,022,756	\$0	\$41,928	\$0	\$44,828	\$8,538,768



Table B

Pooling (Cash Flow) Funding Plan

Naturewalk
Community Development District

	FY	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Beginning of Year Reserves	Note 2	\$201,781	\$258,642	\$609,858	\$1,002,793	\$1,402,994	\$1,848,696	\$774,263	\$1,226,088	\$897,333	\$1,382,842	\$1,877,391	\$1,311,646	\$1,818,218	\$2,400,137	\$2,993,287	\$3,651,159
Recommended Reserve Contributions	Note 2	50,000	360,000	372,200	384,900	398,000	411,500	425,500	440,000	455,000	470,500	486,500	503,000	520,100	537,800	556,100	575,000
Anticipated Interest Earned	3.4%	6,861	8,794	20,735	34,095	47,702	62,856	26,325	41,687	30,509	47,017	63,831	44,596	61,819	81,605	101,772	124,139
Projected Expenditures		0	(17,578)	0	(18,794)	0	(1,548,789)	0	(810,442)	0	(22,969)	(1,116,075)	(41,025)	0	(26,255)	0	(2,163,703)
Projected Year End Reserves		258,642	609,858	1,002,793	1,402,994	1,848,696	774,263	1,226,088	897,333	1,382,842	1,877,391	1,311,646	1,818,218	2,400,137	2,993,287	3,651,159	2,186,594

		2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Beginning of Year Reserves		\$2,186,594	\$2,855,538	\$2,746,857	\$3,475,950	\$4,219,344	\$3,483,213	\$4,270,035	\$5,141,816	\$5,065,082	\$6,014,095	\$3,999,018	\$4,965,485	\$5,951,083	\$7,041,320	\$8,153,998
Recommended Reserve Contributions		594,600	614,800	635,700	657,300	679,600	702,700	726,600	751,300	776,800	803,200	830,500	858,700	887,900	918,100	949,300
Anticipated Interest Earned	3.4%	74,344	97,088	93,393	118,182	143,458	118,429	145,181	174,822	172,213	204,479	135,967	168,826	202,337	239,405	277,236
Projected Expenditures		0	(820,569)	0	(32,088)	(1,559,189)	(34,307)	0	(1,002,856)	0	(3,022,756)	0	(41,928)	0	(44,828)	(8,538,768)
Projected Year End Reserves		2,855,538	2,746,857	3,475,950	4,219,344	3,483,213	4,270,035	5,141,816	5,065,082	6,014,095	3,999,018	4,965,485	5,951,083	7,041,320	8,153,998	841,766 Threshold/ Risk Year

- Notes:
- 1) FY 2024 Begins October 1, 2024 and Ends September 30, 2025
 - 2) FY 2024 Beginning Reserve Balance and Remaining Contributions are as of September 30, 2024
 - 3) Interest Earned is compounded on the Beginning Year Reserve Balance, the first year is a partial amount earned
 - 4) Taxes on the interest earned are considered negligible



Table C

Partial Pooling (Cash Flow) Funding Plan

Naturewalk
Community Development District

	FY	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Beginning of Year Reserves	Note 2	\$201,781	\$258,642	\$376,858	\$593,671	\$876,062	\$1,263,848	\$193,030	\$649,393	\$326,130	\$818,118	\$1,320,266	\$763,279	\$1,279,906	\$1,873,223	\$2,479,158	\$3,151,249
Recommended Reserve Contributions	Note 2	50,000	127,000	204,000	281,000	358,000	435,000	449,800	465,100	480,900	497,300	514,200	531,700	549,800	568,500	587,800	607,800
Anticipated Interest Earned	3.4%	6,861	8,794	12,813	20,185	29,786	42,971	6,563	22,079	11,088	27,816	44,889	25,951	43,517	63,690	84,291	107,142
Projected Expenditures		0	(17,578)	0	(18,794)	0	(1,548,789)	0	(810,442)	0	(22,969)	(1,116,075)	(41,025)	0	(26,255)	0	(2,163,703)
Projected Year End Reserves		258,642	376,858	593,671	876,062	1,263,848	193,030	649,393	326,130	818,118	1,320,266	763,279	1,279,906	1,873,223	2,479,158	3,151,249	1,702,487
							Threshold/ Risk Year										

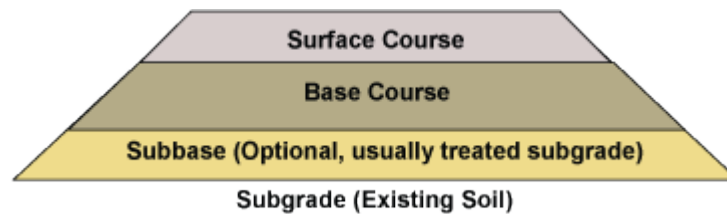
		2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Beginning of Year Reserves		\$1,702,487	\$2,388,872	\$2,299,425	\$3,049,605	\$3,816,004	\$3,104,959	\$3,919,021	\$4,820,368	\$4,775,605	\$5,759,176	\$3,781,332	\$4,787,897	\$5,816,658	\$6,953,224	\$8,115,507
Recommended Reserve Contributions		628,500	649,900	672,000	694,800	718,400	742,800	768,100	794,200	821,200	849,100	878,000	907,900	938,800	970,700	1,003,700
Anticipated Interest Earned	3.4%	57,885	81,222	78,180	103,687	129,744	105,569	133,247	163,893	162,371	195,812	128,565	162,789	197,766	236,410	275,927
Projected Expenditures		0	(820,569)	0	(32,088)	(1,559,189)	(34,307)	0	(1,002,856)	0	(3,022,756)	0	(41,928)	0	(44,828)	(8,538,768)
Projected Year End Reserves		2,388,872	2,299,425	3,049,605	3,816,004	3,104,959	3,919,021	4,820,368	4,775,605	5,759,176	3,781,332	4,787,897	5,816,658	6,953,224	8,115,507	856,366
																Threshold/ Risk Year

- Notes:
- 1) FY 2024 Begins October 1, 2024 and Ends September 30, 2025
 - 2) FY 2024 Beginning Reserve Balance and Remaining Contributions are as of September 30, 2024
 - 3) Interest Earned is compounded on the Beginning Year Reserve Balance, the first year is a partial amount earned
 - 4) Taxes on the interest earned are considered negligible

Condition Assessment

1. Asphalt Pavement, Repaving

The District maintains approximately 35,660 square yards of asphalt streets. The asphalt pavement is original and in fair to good overall condition. Asphalt pavement comprises multiple layers. Typically, the top layer or surface course deteriorates over time and can be milled or removed and overlaid or replaced. The following diagram depicts typical pavement layers.



A mill and overlay is a method of repaving of the surface course where cracked, worn and failed pavement is mechanically removed or milled. A new layer of asphalt is overlaid atop the remaining sound pavement. Milled pavement removes part of the existing pavement and permits the overlay to match the elevation of areas such as adjacent curbs and gutters. The milled pavement should be properly bonded to the new overlayment. Overlayment thicknesses range from one to two inches. Variable thicknesses are often necessary for proper drainage.

A combination of area patching, crack repair and milling should occur before the overlayment. Areas that exhibit potholes, alligator cracks and areas of pavement that are deteriorated from vehicle fluids should all be repaired prior to overlayment. Area patching may require total replacement of isolated areas of pavement. The base course for residential subdivision roadways designed for light traffic is often six inches thick. The paving contractor should seal all cracks. Crack repair minimizes the chance of underlying cracks coming through the overlayment.

The useful life of the asphalt pavement surface course is estimated to be up to 25 years due to design, quality of construction, materials and maintenance. Naturewalk CDD should budget for phased repaving beginning by 2031 and concluding by 2047. The District should retain an engineer for quality control.



Figure 1 – Sandgrass Boulevard



Figure 2 – Beargrass Way



Figure 3 – Flatwoods Forest Loop



Figure 4 – Prairie Pass

2. Bridges, Wood

The District maintains wood bridges that comprise approximately 29,465 square feet of surface area located along Sandgrass Boulevard. The bridge located at Beargrass Way is excluded from this analysis.



Figure 1 – First Bridge



Figure 2 – First Bridge



Figure 3 – Second Bridge



Figure 4 – Third Bridge

The decking is in fair overall condition at various ages. The useful life of wood decking is from 15- to 25-years. Naturewalk CDD should budget for phased replacements of up to twenty percent (20%) every five years beginning by 2029. The estimate of cost is based on existing pressure treated wood. Treated wood needs to dry out before applying any maintenance application. Manufacturers sometimes add a water repellent to their lumber. For fully exposed wood, a water repellent sealer or a penetrating semi-transparent stain may provide the best finishing solution. Paint and solid color stains are not appropriate. The District should fund repairs through the operating budget on an as needed basis to maximize the useful life. Repairs may include replacement of warped or loose deck boards or railing components, replacement or additional installation of connections or fasteners, and partial replacements of structural members as needed. Naturewalk CDD should also budget for stain applications every two years beginning in 2025.

3. Boardwalk Trails, Wood

The District also maintains wood boardwalks that comprise approximately 28,160 square feet of decking. This quantity includes the bridge walks. This decking is in fair overall condition. Previous repairs are noted. The useful life of this type of decking is from 15- to 25-years. Naturewalk CDD should budget for phased replacements of up to twenty percent (20%) every five years beginning by 2029.



Figure 1



Figure 2

4. Bulkheads

The District maintains approximately 4,320 linear feet of vinyl and wood. Bulkheads provide lateral support to vertical slopes of soil. The bulkheads are original and in good condition overall.



Figure 1 – Typical Vinyl Bulkhead with Wood Cap



Figure 2 – Wood Cap Rot



Figure 1 – Wood Bulkhead



Figure 2 - Wood Bulkhead

Bulkheads of this type have a long useful life. Poor design or construction poses serious safety hazards. Total collapses are relatively rare and most issues can be repaired. Naturewalk CDD should budget for partial replacements of up to ninety percent (90%) by 2054. The District should fund interim cap repairs and replacements through the operating budget as needed.

5. Concrete Alleys

The District maintains approximately 48,425 square feet of permeable concrete alleyways. The alleyways are in fair overall condition at various ages. This application of concrete has a useful life of up to 30 years and beyond. It will eventually deteriorate from natural weathering. Proper mix designs and installation are also factors that can lead to premature deterioration. Naturewalk CDD should budget for up to thirty three percent (33.3%) of the concrete alleys every 10 years beginning by 2029.



Figure 1



Figure 2

6. Guardrails, Wood

There are 2,015 linear feet of wood guardrails. These guardrails are original and in fair overall condition. Wood pergolas have an estimated useful life from 15- to 25-years. Naturewalk CDD should budget for replacement of the guardrails by 2031.



Figure 1 – Bridge Guardrails



Figure 2 – Trail Walk Guardrails

7. Irrigation System

The District maintains irrigation throughout the communities' common areas. Irrigation system components typically include pumps, clocks, valves, heads and piping. The system is in satisfactory operation condition. The system has a long useful life with the benefit of ongoing maintenance. Over time, the effects of the elements will reduce the flexibility and durability of the underground pipe network and wiring. Naturewalk CDD should budget for partial replacement of the irrigation system every 10 years or by 2029. The District should fund interim head and controller replacements through the operating budget as needed.



Figure 1

8. Light Fixtures, Bollard

The District maintains 12 bollard light fixtures located around Pond 21 and the trail that leads to the pool. The bollards are in good condition at an age of approximately nine years. A useful life of up to 20 years is anticipated for the bollards and the District should budget for their

replacements by 2035. Interim replacement of light bulbs and/or fixtures should be funded through the operating budget on an as needed basis.



Figure 1

9. Light Poles and Fixtures

The District maintains 115 decorative light poles and fixtures throughout the community. Naturewalk CDD should budget for phased replacement of the light poles and fixtures beginning by 2031 and concluding by 2047. The cost includes an allowance for replacement of the pole, base, fixture and minor electrical repairs at the time of replacement.



Figure 1



Figure 2

10. Pavers

There are approximately 198,880 square feet of street pavers located throughout the community. Street pavers have a useful life from 15- to 25-years with the benefit of ongoing maintenance that includes pressure washing, resetting as needed, an application of sand between the pavers followed by sealer applications every three- to five-years in order to preserve the color and minimize repairs. The estimate of cost includes and allowance for partial replacements of up

to fifteen percent (15%) of the pavers. The quantity of replacements will increase as the pavers age. However, the estimated quantity should be sufficient for budgeting reserves over the next 30 years.



Figure 1 – Street Pavers



Figure 2 - Street Pavers

Trail pavers have an estimated useful life from 20- to 30-years with the benefit of periodic maintenance. Periodic maintenance includes pressure washing, resetting as needed and an application of sand between the pavers followed by a sealer application every three years. Naturewalk CDD should budget for phased replacement of the trail pavers of up to thirty three percent (33.3%) by 2029 and every 10 years thereafter.



Figure 3 – Walkway Pavers



Figure 4 - Walkway Pavers

11. Pergola, Wood

The District maintains 4,200 square feet of wood pergola located at the first bridge. The pergola is original and in fair overall condition. Wood pergolas have an estimated useful life of up to 25 years. Naturewalk CDD should budget for replacements as needed by 2031.



Figure 1



Figure 2

12. Railings, Bulkheads

The District maintains 5,890 linear feet of railings located mostly along the bulkheads. This quantity includes the bridge railings. These railings have an estimated useful life of up to 30 years. Naturewalk CDD can maximize the useful life by repairing connections and fasteners promptly when and if they fail. These activities should be funded through the operating budget on an as needed basis. The District shall budget for phased railing replacements of up to thirty three percent (33.3%) by 2029 and every 10 years thereafter.



Figure 1 – Typical Bulkhead Railing



Figure 2 – Wood Rot

13. Sidewalks, Concrete

The District maintains approximately 65,815 square feet of concrete sidewalks. The sidewalks are in good overall condition. Concrete is durable and this application has a useful life of up to 65 years. However, it will eventually deteriorate from natural weathering. It is also common for displacement to occur as surrounding trees mature leading to problematic root systems. Proper mix designs and installation are also factors that can lead to premature

deterioration. Naturewalk CDD should budget for up to five percent (5%) of the sidewalks every five years beginning by 2029. The District should conduct annual inspections of the sidewalks to identify potential trip hazards. In addition, the District should fund interim grinding of the minor areas of settlement and or displacement through the operating budget as needed. Keeping the trees trimmed will minimize the amount of repairs needed.



Figure 1



Figure 2

14. Stormwater System

The District maintains the stormwater system. The visible portion of the stormwater system comprises curbing designed to direct stormwater to catch basins. The system includes a series of pipes throughout the property designed to carry storm water away to a pond system for processing. The streets utilize a concrete curb and gutter system that conveys stormwater runoff into drainage inlets along the outside pavement edge. The District maintains approximately 51,340 linear feet of concrete curbs and gutters. This application of concrete has a long useful life although isolated deterioration of limited areas of concrete is common. Inclement weather, inadequate subsurface preparation and improper concrete mixtures or finishing techniques can result in premature deterioration such as settlement, chips, cracks and spalls. Variable conditions like these result in the need to plan for periodic partial replacements of the concrete flatwork throughout the next 30 years. Naturewalk CDD should budget for up to one percent (1%) of the curbs and gutters in conjunction with repaving.

Stormwater systems are low maintenance and often overlooked. However, overlooking systems of this type leads to major problems. Over time, drains can become clogged with leaves

and other debris. The District should anticipate occasional displacement of storm water structures and the surrounding pavement from erosion as time goes on. Erosion causes settlement of curb inlets or catch basins. The catch basin can shift and need replacement if left unrepaired. The District should plan to repair any displaced storm water structures and partial pipe replacements concurrently with surrounding pavement or curbs and gutters. The exact times and amount of capital repairs or replacements varies upon natural forces.

The overall reported condition of the stormwater system is good. Stormwater systems have a long useful life with the benefit of ongoing maintenance. Achieving this useful life typically requires interim capital repairs or partial replacements. Maintenance of stormwater systems is required in every municipality as a condition for use of the land to prevent adverse impacts on adjoining properties. Naturewalk CDD should routinely keep drains clear as needed.



Figure 1 – Concrete Curbing



Figure 2 – Catch Basin



Figure 3 – Stormwater Pond Structure

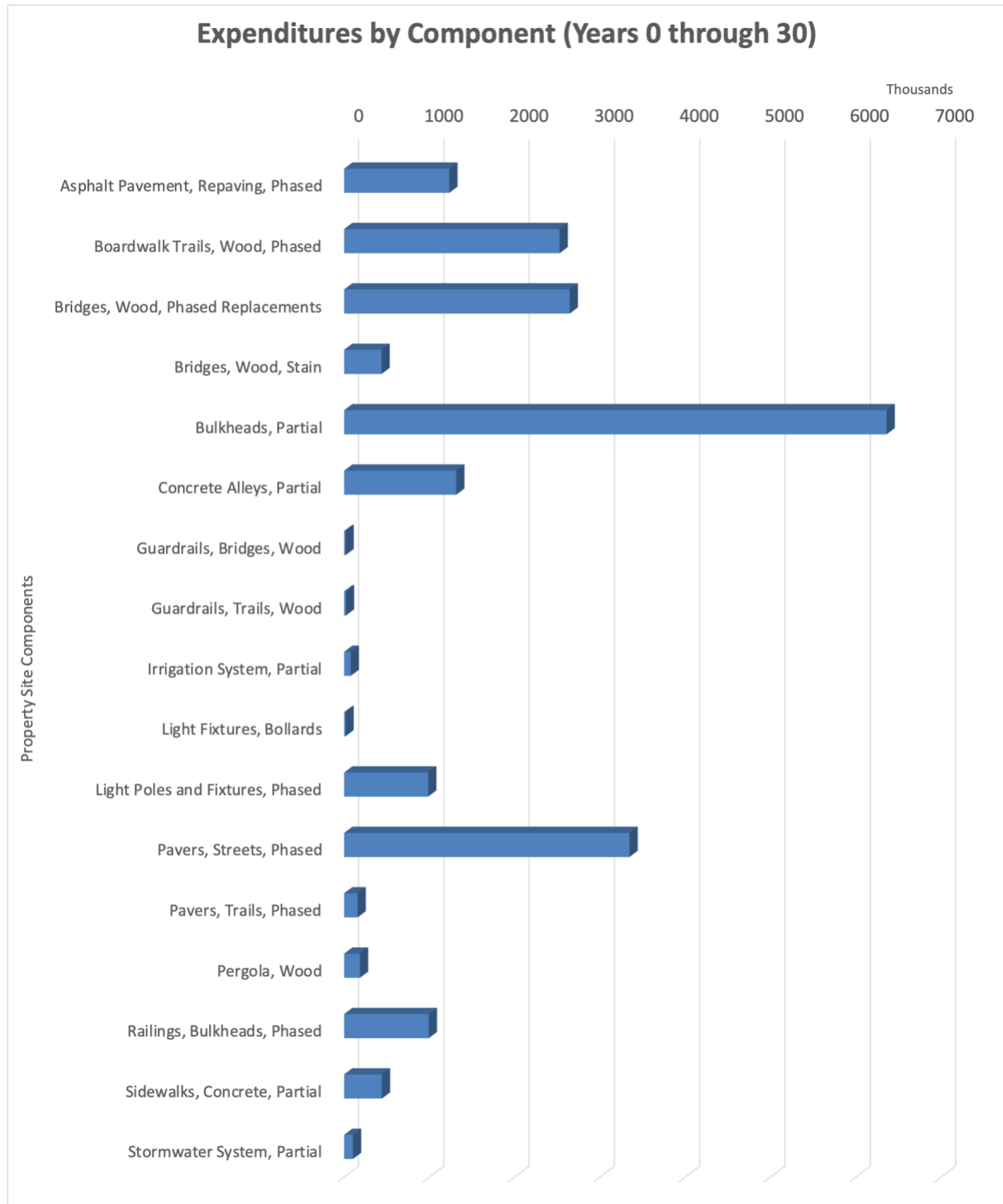


Figure 4 - Stormwater Pond Structure

Condition Model

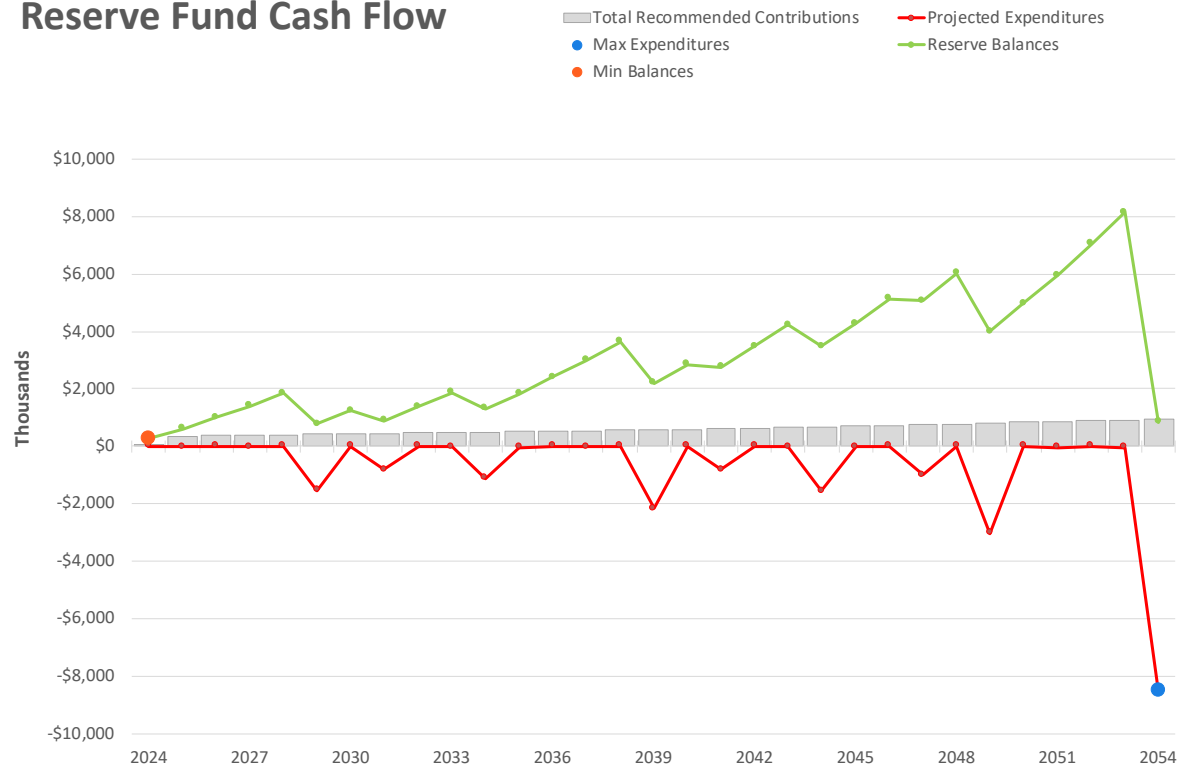
Component Name	Condition	Urgency	1st Year of Replacement
Asphalt Pavement, Repaving, Phased	7	✓	2031
Bridges, Wood, Phased Replacements	6	✓	2029
Bridges, Wood, Stain	4	!	2025
Boardwalk Trails, Wood, Phased	6	✓	2029
Bulkheads, Partial	7	✓	2054
Concrete Alleys, Partial	6	✓	2029
Guardrails, Bridges, Wood	6	✓	2031
Guardrails, Trails, Wood, Phased	5	✓	2031
Irrigation System, Partial	6	✓	2029
Light Fixtures, Bollards	7	✓	2035
Light Poles and Fixtures, Phased	6	✓	2031
Pavers, Streets, Phased	6	✓	2029
Pavers, Walkways, Phased	6	✓	2029
Pergola, Wood	6	✓	2031
Railings, Bulkheads, Phased	7	✓	2029
Sidewalks, Concrete, Partial	6	✓	2029
Stormwater System, Partial	7	✓	2031

Expenditure Chart

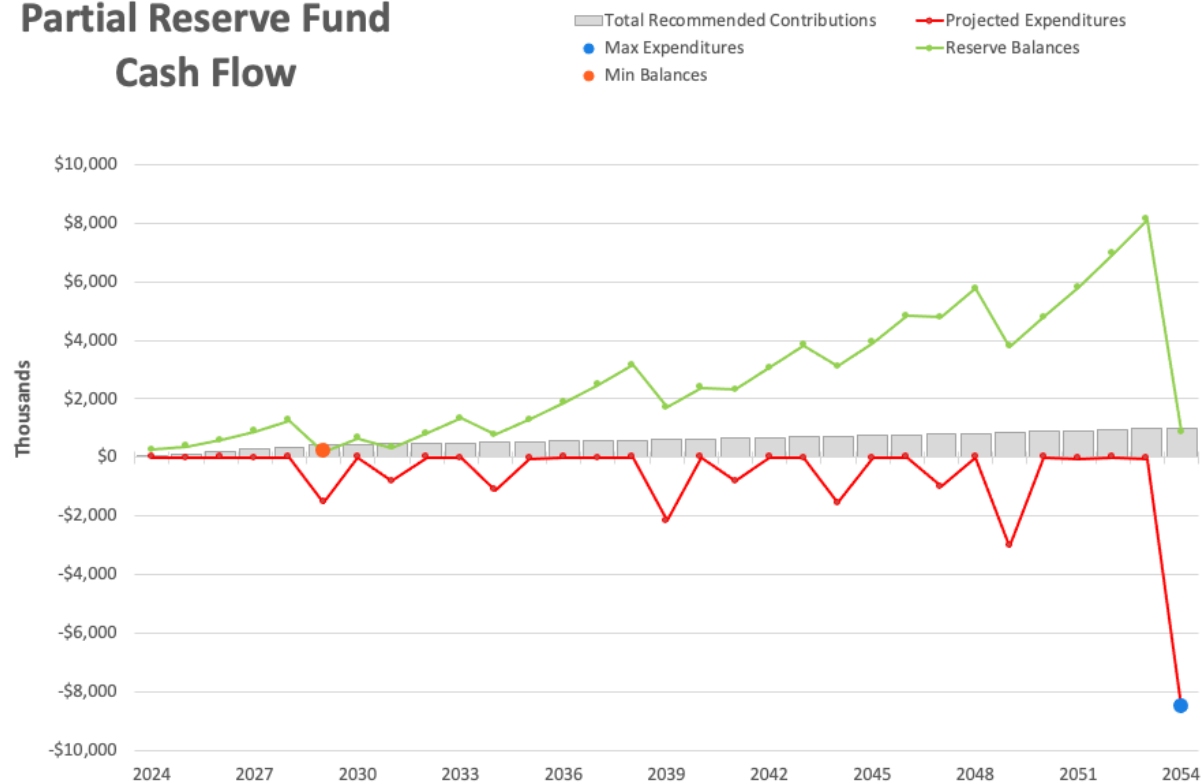


Funding Graphs

Reserve Fund Cash Flow



Partial Reserve Fund Cash Flow



Terms and Definitions

Adequate Reserves - A replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the District's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

Capital Improvements - Additions to the District's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or installation cannot be taken from the reserve fund.

Cash Flow Method (also known as pooling) - A method of calculating Reserve contributions where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenditures until the desired Funding Goal is achieved.

Common Area - The areas identified in the community District's master deed or declarations of covenant easements and restrictions that the District is obligated to maintain and replace or based on a well-established District precedent.

Component - An individual line item in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks of the Reserve Study. Components typically are: 1) District responsibility, 2) The need and schedule for this project can be reasonably anticipated, 3) The total cost for the project is material to the District, can be reasonably estimated, and includes all direct and related costs.

Component Inventory - The task of selecting and quantifying Reserve Components. This task is accomplished through onsite visual observations, review of District design and organizational documents, and a review of established District precedents, and discussion with appropriate representative(s) of the District.

Component Method (also known as Straight Line) - A method of developing a reserve funding plan where the total funding is based on the sum of funding for individual components.

Condition Assessment - The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

Effective Age - The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

Financial Analysis - The portion of a reserve study in which the current status of the reserves (measured as cash or percent funded) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30 years of income and expense are to be considered.

Fully Funded - 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

Fully Funded Balance (FFB) - An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component, and then summed for a District total.

Fund Status - The status of the reserve fund reported in terms of cash or percent funded.

Funding Goals - The three funding goals listed below range from the most aggressive to most conservative:

Baseline Funding - Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, and it is not recommended as a long-term solution/plan. Baseline funding may lead to project delays, the need for a special assessment, and/or a line of credit for the community to fund needed repairs and replacement of major components.

Threshold Funding - Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “fully funded” with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as investment risk tolerance, community age, building type, components that are not readily inspected, and components with a remaining useful life of more than 30 years.

Fully Funding - Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance.

It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.

Funding Plan - A District’s plan to provide income to a Reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of 30 years of projected income and expenses.

Funding Principles - A funding plan addressing these principles. These funding principles are the basis for the recommendations included within the reserve study:

- Sufficient funds when required.
- Stable funding rate over the years.
- Equitable funding rate over the years.
- Fiscally responsible.

Initial Year - The first fiscal year in the financial analysis or funding plan.

Life Estimates - The task of estimating useful life and remaining useful life of the reserve components.

Life Cycle Cost - The ongoing cost of deterioration which must be offset in order to maintain and replace common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.

Maintenance - Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of “replacement” but may pass the defining test of a reserve component and be appropriate for reserve funding. Maintenance types are categorized below:

Preventive Maintenance - Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.

Deferred Maintenance - Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance. This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.

Corrective Maintenance - Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced. Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.

Percent Funded - The ratio, at a particular point in time clearly identified as either the beginning or end of the District’s fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an District’s reserve fund size, it should be viewed in the context of how it is changing due to the District’s reserve funding plan, in light of the District’s risk tolerance and is not by itself a measure of “adequacy.”

Periodic Structural Inspection - Structural system inspections aimed at identifying issues when they become evident.

Additional information and recommendations are included within the Condominium Safety Public Policy Report. www.condosafety.com

Physical Evaluation - The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

Preventive Maintenance Schedule - A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components

are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

Remaining Useful Life (RUL) - Also referred to as “remaining life” (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life. Replacement Cost: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

Reserve Balance - Actual or projected funds, clearly identified as existing either at the beginning or end of the District’s fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.

Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.

Reserve Study - A reserve study is a budget planning tool which identifies the components that a community District is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures.

This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.

Reserve Study Provider - An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist. (RS) designation administered by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards. In some instances, qualifications in excess of the RS designation will be required if supplemental subject matter expertise is required.

Reserve Study Provider Firm - A company that prepares reserve studies as one of its primary business activities.

Responsible Charge - A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals’ performing services that directly and materially affect the quality and competence of services rendered by the Reserve Specialist. A Reserve Specialist shall maintain such records as are reasonably necessary to establish that the Reserve Specialist exercised regular and effective supervision of a reserve study of which he or she was in responsible charge. A Reserve Specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;

2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

Site Visit - A visual assessment of the accessible areas of the components included within the reserve study.

The site visit includes tasks such as, but not limited to, on-site visual observations, a review of the District's design and governing documents, review of District precedents, and discussion with appropriate representative(s) of the District.

Special Assessment - A temporary assessment levied on the members of an District in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.

Structural System - The structural components within a building that, by contiguous interconnection, form a path by which external and internal forces, applied to the building, are delivered to the ground. This is generally a combination of structural beams, columns, and bracing and is not included within the reserve study, although it is reviewed as part of the recommended periodic structural inspections.

It is important to recognize that individual structural components which are not a part of the structural system, such as decks, balconies, and podium deck components may be included for reserve funding if they otherwise satisfy the three-part test.

Useful Life (UL) - The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.

Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).

Valuation Estimates - The task of estimating the current repair or replacement costs for the reserve components.

Disclosures and Limitations

No destructive testing was performed. Latent defects in design or construction are excluded from this report. There are no material issues to our knowledge that have not been disclosed to the client that would affect the integrity of this Reserve Study report. Custom Reserves has no interests with the client other than this Reserve Study. The Reserve Specialist or other reserve study provider for this project has no familial or marital relationship with the client, no ownership interest in the client, and no ongoing business relationship with the client.

Clear recommendations appear within the reserve study where the District has been advised to retain outside expertise to supplement the evaluation of the Reserve Specialist.

Component quantities and estimates of costs indicated in this Report were developed by Custom Reserves unless otherwise noted in our “Condition Assessment” comments. The sources for the costs outlined in the study include experience and historical information. This report should be used for budget and planning purposes only. The Reserve Specialist shall incur no civil liability for performing the physical or financial portions of a reserve study performed in accordance with these standards.

Inspection and Report Credentials

PAUL GRIFONI – Senior Engineer, Licensed Home Inspector

EDUCATION - University of Massachusetts - Bachelor of Science in Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Professional Reserve Analyst (PRA)
Association of Professional Reserve Analysts



Reserve Specialist (RS)
Community Associations Institute

