



***Verano #1***  
***Community Development District***

<http://www.Verano1cdd.com>

**Max Krupo, Chairman**  
**Roderick J. Kennedy, Vice Chairman**  
**Nigel Wirgowski, Assistant Secretary**  
**Thomas Trammell, Assistant Secretary**  
**Alan Fine, Assistant Secretary**

**April 23, 2026**



# Verano #1

## Community Development District

### Revised Special Meeting Agenda

Seat 1: Max Krupo – (C.)	
Seat 2: Roderick J. Kennedy (V.C.)	
Seat 3: Nigel Wirgowski (A.S.)	
Seat 4: Thomas Trammell – (A.S.)	
Seat 5: Alan Fine – (A.S.)	

**Thursday**  
**April 23, 2026**  
**10:00 a.m.**

**Verano Social Clubhouse**  
**10291 SW Visconti Way, Port St. Lucie, FL**  
**Join the meeting Now**

**Meeting ID: 262 586 007 481 355 and Passcode: JV3AV7P5**  
**1 872-240-4685 and Phone Conference ID: 754 748 933#**

1. Roll Call
2. Approval of Minutes of the October 30, 2025 Meeting – **Page 4**
3. Consideration of **Resolution #2026-02** Approving the Proposed Fiscal Year 2027 Budget and Setting the Public Hearing – **Page 10**
4. Discussion of:
  - A. Procedures for the General Election – **Page 23**
  - B. Rules – **Page 24**
  - C. Second Amended & Restated Interlocal Agreement – **Page 104**
5. Ratification of:
  - A. Retention and Fee Agreement with Kutak Rock, LLP – **Page 121**
  - B. Addendum to Lake Maintenance Agreement with SOLitude Lake Management, LLC – **Page 126**
  - C. Agreement for Engineering Services with Mills, Short & Associates, LLC – **Page 131**
  - D. Agreement for Pond Landscape Maintenance Services Agreement with P.H.L Land Care, Inc. – **Page 149**
  - E. Agreement for Pond Landscape Maintenance Services Agreement with Toler Enterprises, Inc. – **Page 159**
6. Acceptance of Audit for Fiscal Year Ending in September 30, 2025 – **Page 169**
7. Discussion of Lank Bank Remediation
8. Staff Reports
  - A. Attorney
  - B. Engineer – Lake Bank Preservation Report – **Page 199**
  - C. Field Manager
  - D. Manager

1) Lake Bank Preservation Proposals – **Page 207**

2) Number of Registered Voters in the District – **1,454 – Page 210**

9. Financial Reports

A. Acceptance of Check Run Summary – **Page 211**

B. Acceptance of Unaudited Financials – **Page 218**

10. Supervisors Requests and Audience Comments

11. Adjournment

*Meetings are open to the public and may be continued to a time, date and place certain. For more information regarding this CDD please visit the website: <http://www.Verano1cdd.com>*

**MINUTES OF MEETING  
VERANO #1  
COMMUNITY DEVELOPMENT DISTRICT**

The special meeting of the Board of Supervisors of the Verano #1 Community Development District was held on Thursday, October 30, 2025, at 10:00 a.m. at 10291 S. W. Visconti Way, Port St. Lucie, Florida.

Present and constituting a quorum were:

Max Krupo	Chairman
Rod Kennedy	Vice Chairman
Nigel Wirgowski	Assistant Secretary
Thomas Trammell	Assistant Secretary
Alan Fine	Assistant Secretary

Also present were:

Andressa Hinz Philippi	District Manager
Brandon Ulmer	Mills, Short & Associates
Jere Earlywine	District Counsel
Frank Ducci	Lang Management - Field Manager
Mr. La Plante	Resident
Several residents	

**FIRST ORDER OF BUSINESS**

**Roll Call**

Ms. Hinz Philippi called the meeting to order and called the roll. She then stated she would pass the gavel to the Chairman, Mr. Krupo to conduct the meeting.

Mr. Krupo suggested going out of order on agenda due to a resident, Mr. La Plante, attending the meeting with concerns relating to lake bank erosion at his residence and due to the fact the District engineer was also in attendance he would be able to address any of his questions or concerns.

*(At this point Mr. La Plante briefly presented his concerns to the Board regarding erosion at his residence and around the community)(A discussion was then held among the Board members, Mr. La Plante, Mr. Ulmer and Mr. Ducci addressing Mr. La Plante's questions and concerns regarding lake bank erosion within the community)*

Mr. Krupo then passed the gavel back to Ms. Hinz Philippi to continue with the agenda.

**SECOND ORDER OF BUSINESS      Approval of Minutes of the  
September 18, 2025 Meeting**

Ms. Hinz Philippi presented the minutes from the September 18, 2025 meeting, asked for any additions, deletions or corrections, and upon hearing none, she asked for a motion to approve the minutes.

On MOTION by Mr. Trammell seconded by Mr. Wirgowski with all in favor, the Minutes of the September 18, 2025 Meeting were approve

**THIRD ORDER OF BUSINESS      Consideration of Resolution  
#2026-01 Designating Jere  
Earlywine of Kutak Rock, LLC as  
the District's Registered Agent**

Ms. Hinz Philippi presented Resolution #2026-01 designating Jere Earlywine of Kutak Rock, LLC as the District's registered agent and gave a brief explanation of this item. She then asked for any questions or comments, and upon hearing none, asked for a motion to approve the resolution.

On MOTION by Mr. Trammell seconded by Mr. Kennedy with all in favor, Resolution #2026-01 designating Jere Earlywine of Kutak Rock, LLC as the District's Registered Agent was approved.

**FOURTH ORDER OF BUSINESS      Ranking of Respondents to  
Engineering Proposals**

Ms. Hinz Philippi presented the ranking of respondents to engineering proposals stating they had received only one response from Mills, Short & Associates and Mr. Brandon Ulmer was in attendance to answer any questions the Board may have regarding his proposal. She then stated the Board would need to rank Mills, Short & Associates as the #1 ranked engineering firm to move forward and authorize District staff to prepare an agreement. Ms. Hinz Philippi then asked for any questions or comments, and upon

hearing none, asked for a motion to rank Mills, Short & Associates as the #1 ranked engineering firm.

On MOTION by Mr. Krupo seconded by Mr. Kennedy with all in favor, accepting the ranking of respondents to the RFP, and ranking Mills, Short & Associates as the #1 ranked engineering firm and authorizing staff to enter into an agreement was approved.

**FIFTH ORDER OF BUSINESS**

**Ratification of Addendum to Auditor Engagement Letter**

*(This item was inadvertently skipped over at this time)*

**SIXTH ORDER OF BUSINESS**

**Consideration of Landscape Proposals**

- A. ProGreen Services, LLC**
- B. PHL Land Care, Inc.**
- C. BrightView Landscape Services**
- D. Toler Enterprises, Inc.**

Ms. Hinz Philippi presented the consideration of landscape proposals and stated before they discuss this item she would like Mr. Ducci to give a brief overview of the current landscape vendor.

Mr. Ducci stated the existing vendor failed to meet their contractual obligations, and there was also lack of supervision and so the Verano Master Board had recently selected a new landscape company to start on December 1st. He then gave a brief explanation of the multi-month RFP process that took place and stated they also asked the new vendor to bid on the CDD portion of the maintenance relating to the lake banks, the C-24 canal and mowing of the C-24 canal. Mr. Ducci then stated his recommendation to the Board would be to move forward with PHL Land Care, Inc. for continuity of the lake banks.

Ms. Hinz Philippi stated that essentially the current landscaper, United Land Services, did not perform their contractual obligations and if the Board wished to move forward with Mr. Ducci's recommendation they would need to terminate the current landscape vendor either with a 30-day notice or terminate with or without cause and then the Board could replace them immediately and start with the new company.

*(At this point there was a discussion among the Board members, District staff and Mr. Ducci relating to this item)*

Ms. Hinz Philippi then asked for any further questions or comments, and upon hearing none, asked for a motion to terminate the current landscape vendor, United Land Services.

On MOTION by Mr. Trammell seconded by Mr. Kennedy with all in favor, authorizing staff to terminate the current landscape company, United Land Services, with a 30-day notice and authorizing District Counsel to prepare the termination letter was approved.

Ms. Hinz Philippi presented the landscape proposals included in the agenda and gave a brief explanation stating that a comparative spreadsheet of those proposals was provided by Mr. Ducci that was also included in the agenda.

Mr. Ducci then gave a brief summary of the comparable spreadsheet he had included in the agenda stating he was recommending Toler Enterprises, Inc. to do only the maintenance of the C-24 north canal for consistency purposes and then use PHL Land Care, Inc. for the lake banks.

*(At this point there was a discussion among the Board members, District staff and Mr. Ducci relating to this item)*

Ms. Hinz Philippi then asked for a motion to approve PHL Land Care, Inc. as the landscape vendor to do the lake banks.

On MOTION by Mr. Trammell seconded by Mr. Krupo with all in favor, accepting the proposal from PHL Land Care, Inc, to provide landscape maintenance services for the lake banks was approved.

Ms. Hinz Philippi also asked for a motion to approve Toler Enterprises, Inc. as the landscape vendor to do the maintenance of the C-24 north canal.

On MOTION by Mr. Trammell seconded by Mr. Krupo with all in favor, accepting the proposal from Toler Enterprises, Inc, to provide landscape mowing services for the C-24 north canal was approved.

**SEVENTH ORDER OF BUSINESS      Staff Reports**

**A. Attorney**

Mr. Earlywine stated he had nothing to report unless the Board had any questions for him. There were no questions for Mr. Earlywine.

**B. Engineer**

Mr. Ulmer stated he had nothing to report at this time.

**C. Field Manager**

Mr. Ducci stated he had nothing to report at this time.

**D. Manager – Final Approval of the FY2024 Report Performance Measures and Standards**

Ms. Hinz Philippi presented the final approval of the FY2024 report performance measures and standards which was included in the agenda. She then gave a brief explanation of the report and asked for any questions or comments. Upon hearing none, she asked for a motion to accept the report.

On MOTION by Mr. Wirgowski seconded by Mr. Krupo with all in favor, the final approval of the FY2024 Report Performance Measures and Standards was approved.

**EIGHTH ORDER OF BUSINESS      Financial Reports**

**A. Check Run Summary**

**B. Acceptance of Unaudited Financials**

Ms. Hinz Philippi presented the financial reports, indicating the check run summary was behind tab A. She then asked for any comments or questions, and upon not hearing any, asked for a motion to approve.

On MOTION by Mr. Krupo seconded by Mr. Kennedy with all in favor the Check Run Summary was approved.

Ms. Hinz Philippi presented the unaudited financials indicating those were behind tab B. She then asked for any comments or questions, and upon not hearing any, asked for a motion to approve.

On MOTION by Mr. Wirgowski seconded by Mr. Krupo with all in favor the Unaudited Financials were approved.

**NINTH ORDER OF BUSINESS**

**Supervisors Requests and Audience Comments**

Ms. Hinz Philippi asked for any Supervisor’s requests or audience comments. There were no Supervisor’s requests at this time. She then asked for any audience comments.

A resident made a comment to the approved landscaping contracts, and asked if there were any penalties, consequences or financial requirements for bad service due to the fact that he’s had problems with his property for over a year.

*(At this point there was a discussion among the Board members, District staff, Mr. Ducci and the resident relating to his comment)*

**TENTH ORDER OF BUSINESS**

**Adjournment**

Ms. Hinz Philippi stated if there was nothing else to discuss, she would ask for a motion to adjourn the meeting.

On MOTION by Mr. Trammell seconded by Mr. Wirgowski with all in favor, the meeting was adjourned.

\_\_\_\_\_  
Secretary / Assistant Secretary

\_\_\_\_\_  
Chairman / Vice Chairman

**RESOLUTION 2026-02**

**A RESOLUTION OF THE VERANO #1 COMMUNITY DEVELOPMENT DISTRICT APPROVING THE DISTRICT'S PROPOSED BUDGET FOR **FISCAL YEAR 2027** AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW**

**WHEREAS**, the District Manager has prepared the proposed budget for the Fiscal Year 2027; and

**WHEREAS**, the Board of Supervisors approves the proposed budget for purpose of submitting said budget to the local governing authorities not less than 60 days prior to the public hearing date in accordance with Chapter 190.008(b), Florida Statutes: and

**WHEREAS**, the Board of Supervisors desires to set the public hearing date;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE VERANO #1 COMMUNITY DEVELOPMENT DISTRICT:**

1. The proposed budget for Fiscal Year 2027 is hereby approved for the purpose of conducting a public hearing to adopt said budget.
2. A public hearing on said approved budget is hereby declared and set for the following date, hour and place:

Date: \_\_\_\_\_  
Hour: \_\_\_\_\_  
Place: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notice of public hearing shall be published in accordance with Florida Law.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2026

\_\_\_\_\_  
Chairman/Vice Chairman

\_\_\_\_\_  
Secretary/Assistant Secretary

***Verano #1***  
***Community Development District***

***Proposed Budget***  
***FY 2027***



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**Verano #1**  
**Community Development District**  
**Proposed Budget**  
**General Fund**

Description	Adopted Budget FY2026	Actuals Thru 3/31/26	Projected Next 6 Months	Projected Thru 9/30/26	Proposed Budget FY 2027
<b><u>REVENUES:</u></b>					
Special Assessments - Tax Roll	\$ 33,931	\$ 33,931	\$ -	\$ 33,931	\$ 160,177
Stormwater Fees	-	-	-	-	132,398
<b>TOTAL REVENUES</b>	<b>\$ 33,931</b>	<b>\$ 33,931</b>	<b>\$ -</b>	<b>\$ 33,931</b>	<b>\$ 292,576</b>
<b><u>EXPENDITURES:</u></b>					
<b><u>Administrative</u></b>					
Supervisor Fees	\$ 4,000	\$ 1,000	\$ 3,000	\$ 4,000	\$ 5,000
FICA Taxes	306	77	230	306	383
Engineering	-	-	-	-	5,000
Attorney	-	-	-	-	6,500
Annual Audit	3,700	3,200	-	3,200	3,300
Assesment Roll Administration	-	-	-	-	3,000
Arbitrage Rebate	1,100	-	1,150	1,150	1,150
Dissemination Agent	5,513	2,757	2,756	5,513	5,789
Management Fees	-	-	-	-	35,438
Trustee Fees	9,900	-	8,250	8,250	8,250
Information Technology	-	-	-	-	-
Website Maintenance	827	414	414	827	868
Postage	-	-	-	-	100
Insurance General Liability	7,610	6,700	-	6,700	7,370
Printing/Copies	-	-	-	-	50
Legal Advertising	-	-	-	-	500
Office Supplies	-	-	-	-	50
Other Current Charges	800	318	3,492	3,810	1,000
Dues, Licenses & Subscriptions	175	175	-	175	175
Contingency	-	-	-	-	59,038
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 33,931</b>	<b>\$ 14,639</b>	<b>\$ 19,291</b>	<b>\$ 33,931</b>	<b>\$ 142,960</b>
<b>Operations and Maintenance</b>					
<b><u>Stormwater</u></b>					
Field Management	\$ -	\$ -	\$ -	\$ -	10,000
Lake Bank C-24 Canal	-	-	-	-	15,000
Lake Bank Mowing	-	-	-	-	61,572
Lake Maintenance	-	-	-	-	44,352
Water Sampling-BMAP	-	-	-	-	1,474
<b>TOTAL STORMWATER</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 132,398</b>
<b>TOTAL OPERATING AND MAINTENANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 132,398</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 33,931</b>	<b>\$ 14,639</b>	<b>\$ 19,291</b>	<b>\$ 33,931</b>	<b>\$ 275,358</b>
<b><u>Other Sources/(Uses)</u></b>					
Interlocal Transfer In/(Out)*	\$ -	\$ -	\$ -	\$ -	(17,217)
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(17,217)</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$ -</b>	<b>\$ 19,292</b>	<b>\$ (19,291)</b>	<b>\$ -</b>	<b>-</b>

**Verano #1**  
**Community Development District**  
**Proposed Budget**  
**General Fund**

Description	Adopted Budget FY2026	Actuals Thru 3/31/26	Projected Next 6 Months	Projected Thru 9/30/26	Proposed Budget FY 2027
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Product	Assessable Units	Total Gross Assessment	FY26 Gross Per Unit	FY27 Gross Per Unit	Increase/ (Decrease)
<b>Residential</b>					
Single Family - 40's	210	\$ 28,707.00	\$ 136.70	\$ 136.70	-
Single Family - 50's	342	\$ 53,765.82	\$ 157.21	\$ 157.21	-
Single Family - 60's	176	\$ 31,998.56	\$ 181.81	\$ 181.81	-
Manor/Duplex	310	\$ 37,714.60	\$ 121.66	\$ 121.66	-
<b>Non Residential</b>					
Clubhouse	32565	\$ 3,205.12	\$ 0.10	\$ 0.10	-
<b>Non Residential (transfer to Verano Center)*</b>					
Commercial (Publix)	60000	\$ 12,476.38	\$ 0.11	\$ 0.21	\$ 0.10
Commercial (Allen Properties LLC)	30000	\$ 6,238.19	-	\$ 0.21	\$ 0.21
<b>Total</b>		<b>\$ 174,105.67</b>			
Less: Discounts & Collections 8%		13,928.45			
Net Assessments		<b>\$ 160,177.21</b>			

**Verano #1**  
**Community Development District**  
**Budget Narrative**  
**FY 2027**

**REVENUES**

**Special Assessments-Tax Roll**

The District will levy a non-ad valorem maintenance assessment on the developable property within the District to fund the operating budget.

**Stormwater Rebate Fees**

The City of Port St. Lucie assesses the residents of the District for Repairs, Maintenance and Capital Improvements of the Drainage System. The city then remits the storm water fees less an administrative fee to the District since the District provides all these services. The fees are collected in Verano #5 CDD and transferred to Verano # 1 as needed.

**Expenditures - Administrative**

**Supervisors Fees**

Chapter 190 of the Florida Statutes allows for members of the Board of Supervisors to be compensated \$200 per meeting in which they attend. The budgeted amount for the fiscal year is based on all supervisors attending 6 meetings.

**FICA Taxes**

Payroll taxes on Board of Supervisor's compensation. The budgeted amount for the fiscal year is calculated at 7.65% of the total Board of Supervisor's payroll expenditures.

**Engineering**

The District's engineer will provide general engineering services to the District, i.e. attendance and preparation for monthly board meetings, review of invoices, and other specifically requested assignments.

**Attorney**

The District's Attorney, will be providing general legal services to the District, i.e., attendance and preparation for monthly Board meetings, review of contracts, review of agreements and resolutions, and other research assigned as directed by the Board of Supervisors and the District Manager.

**Annual Audit**

The District is required to conduct an annual audit of its financial records by an Independent Certified Public Accounting Firm. The budgeted amount for the fiscal year is based on contracted fees from the previous year engagement plus anticipated increase.

**Assessment Roll Administration**

GMS SF, LLC provides assessment services for closing lot sales, assessment roll services with the local Tax Collector and financial advisory services.

**Trustee Fees**

The District bonds will be held and administered by a Trustee. This represents the trustee annual fee.

**Arbitrage Rebate**

The District has contracted with its independent auditors to annually calculate the arbitrage rebate liability on its bonds.

**Management Fees**

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Governmental Management Services-South Florida, LLC. The budgeted amount for the fiscal year is based on the contracted fees outlined in Exhibit "A" of the Management Agreement.

**Information Technology**

The District processes all of its financial activities, i.e. accounts payable, financial statements, etc. on a main frame computer leased by Governmental Management Services - South Florida, LLC.

**Website Maintenance**

Per Chapter 2014-22, Laws of Florida, all Districts must have a website to provide detailed information on the CDD as well as links to useful websites regarding Compliance issues. This website will be maintained by GMS-SF, LLC and updated monthly.

**Verano #1**  
**Community Development District**  
**Budget Narrative**  
**FY 2027**

**Expenditures - Administrative (Continued)**

**Postage**

Actual postage and/or freight used for District mailings including agenda packages, vendor checks and other correspondence.

**Insurance General Liability**

The District's General Liability & Public Officials Liability Insurance policy is with a qualified entity that specializes in providing insurance coverage to governmental agencies. The amount is based upon similar Community Development Districts.

**Printing and Binding**

Copies used in the preparation of agenda packages, required mailings, and other special projects.

**Legal Advertising**

The District is required to advertise various notices for monthly Board meetings and other public hearings in a newspaper of general circulation.

**Office Supplies**

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects.

**Other Current Charges**

This includes monthly bank charges and any other miscellaneous expenses that incur during the year.

**Due, Licenses & Subscriptions**

The District is required to pay an annual fee to the Florida Department of Commerce for \$175.

**Expenditures - Stormwater**

**Field Management**

The District has contracted with Lang Management Service for on-site field management of contracts for District services such as lake and lake bank maintenance.

<b>Vendor</b>	<b>Description</b>	<b>Monthly</b>	<b>Annual</b>
Lang Management Services	Field Mgmt	\$833.33	\$10,000

**Lake Bank C-24 Canal**

Mowing of the common area lake banks for Verano #1 for 17 lakes.

<b>Vendor</b>	<b>Description</b>	<b>monthly</b>	<b>Annual</b>
PHL Land Care	Canal 24-C - North	\$1,250	\$15,000

**Lake Bank Mowing**

Mowing of the common area lake banks for Verano #1 for 17 lakes. Includes 3% increase.

<b>Vendor</b>	<b>Description</b>	<b>monthly</b>	<b>Annual</b>
PHL Land Care	Lake Bank Mowing	\$5,131	\$61,572

**Lake Maintenance**

Cost to maintain the lake for Verano #1 for 17 lakes. Includes 3% increase.

<b>Vendor</b>	<b>Description</b>	<b>monthly</b>	<b>Annual</b>
Solitude Lake Mgmt	17 lakes maintenance	\$3,696	\$44,352

**Water Sampling BMAP**

St. Lucie & Estuary Basin Management Action Plan-Per recommendation of the District's engineer, quarterly water samples will be taken in 3 locations to monitor water quality

<b>Vendor</b>	<b>Description</b>	<b>total units</b>	<b>Annual</b>
Pace Analytical Services	Water Testing	1038	\$1,474

**Other Sources/(Uses)**

**Interlocal Transfer In/(Out)**

The District will levy and transfer a non-ad valorem maintenance assessments on the commercial properties within Verano Center District.

**Verano #1**  
**Community Development District**  
**Proposed Budget**  
**Debt Service Series 2015, Special Assessment Bonds**

Description	Adopted Budget FY2026	Actuals Thru 3/31/26	Projected Next 6 Months	Projected Thru 9/30/26	Proposed Budget FY 2027
<b>REVENUES:</b>					
Special Assessments - Tax Roll	\$ 531,106	\$ 505,395	\$ 25,710	\$ 531,106	\$ 531,106
Interest Income	15,000	13,773	6,227	20,000	10,000
Carry Forward Balance	441,319	434,824	-	434,824	460,536
<b>TOTAL REVENUES</b>	<b>\$ 987,425</b>	<b>\$ 953,993</b>	<b>\$ 31,937</b>	<b>\$ 985,930</b>	<b>\$ 1,001,642</b>
<b>EXPENDITURES:</b>					
Interest - 11/01	\$ 177,275	\$ 177,275	-	\$ 177,275	\$ 173,119
Principal - 11/01	175,000	175,000	-	175,000	185,000
Interest - 05/01	173,119	-	173,119	173,119	168,378
<b>TOTAL EXPENDITURES</b>	<b>\$ 525,394</b>	<b>\$ 352,275</b>	<b>\$ 173,119</b>	<b>\$ 525,394</b>	<b>\$ 526,497</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$ 462,031</b>	<b>\$ 601,718</b>	<b>\$ (141,182)</b>	<b>\$ 460,536</b>	<b>\$ 475,145</b>

Principal 11/01/2027	\$ 190,000
Interest 11/01/2027	168,378
	<u>\$ 358,378</u>

Product	Assessable Units	Total Gross Assessment	FY26 Gross Per Unit	FY27 Gross Per Unit	Increase/ (Decrease)
<b>Residential</b>					
Single Family - 40's	163	\$ 191,525.00	\$ 1,175.00	\$ 1,175.00	\$ -
Single Family - 50's	81	\$ 109,755.00	\$ 1,355.00	\$ 1,355.00	\$ -
Single Family - 60's	60	\$ 93,840.00	\$ 1,564.00	\$ 1,564.00	\$ -
Manor/Duplex	173	\$ 182,169.00	\$ 1,053.00	\$ 1,053.00	\$ -
<b>Total</b>	<b>477</b>	<b>\$ 577,289.00</b>			
Less: Discounts & Collections 8%		46,183.12			
Net Assessments		<u><b>531,105.88</b></u>			

**Verano #1**  
**Community Development District**  
**AMORTIZATION SCHEDULE**  
**Debt Service Series 2015, Special Assessment Bonds**

Period	Outstanding Balance	Coupons	Principal	Interest	Annual Debt Service
11/01/25	6,825,000	4.750%	175,000	177,275	529,550
05/01/26	6,650,000	5.125%		173,119	
11/01/26	6,650,000	5.125%	185,000	173,119	531,238
05/01/27	6,465,000	5.125%		168,378	
11/01/27	6,465,000	5.125%	190,000	168,378	526,756
05/01/28	6,275,000	5.125%		163,509	
11/01/28	6,275,000	5.125%	200,000	163,509	527,019
05/01/29	6,075,000	5.125%		158,384	
11/01/29	6,075,000	5.125%	210,000	158,384	526,769
05/01/30	5,865,000	5.125%		153,003	
11/01/30	5,865,000	5.125%	225,000	153,003	531,006
05/01/31	5,640,000	5.125%		147,238	
11/01/31	5,640,000	5.125%	235,000	147,238	529,475
05/01/32	5,405,000	5.125%		141,216	
11/01/32	5,405,000	5.125%	245,000	141,216	527,431
05/01/33	5,160,000	5.125%		134,938	
11/01/33	5,160,000	5.125%	260,000	134,938	529,875
05/01/34	4,900,000	5.125%		128,275	
11/01/34	4,900,000	5.125%	275,000	128,275	531,550
05/01/35	4,625,000	5.125%		121,228	
11/01/35	4,625,000	5.125%	285,000	121,228	527,456
05/01/36	4,340,000	5.250%		113,925	
11/01/36	4,340,000	5.250%	300,000	113,925	527,850
05/01/37	4,040,000	5.250%		106,050	
11/01/37	4,040,000	5.250%	315,000	106,050	527,100
05/01/38	3,725,000	5.250%		97,781	
11/01/38	3,725,000	5.250%	335,000	97,781	530,563
05/01/39	3,390,000	5.250%		88,988	
11/01/39	3,390,000	5.250%	350,000	88,988	527,975
05/01/40	3,040,000	5.250%		79,800	
11/01/40	3,040,000	5.250%	370,000	79,800	529,600
05/01/41	2,670,000	5.250%		70,088	
11/01/41	2,670,000	5.250%	390,000	70,088	530,175
05/01/42	2,280,000	5.250%		59,850	
11/01/42	2,280,000	5.250%	410,000	59,850	529,700
05/01/43	1,870,000	5.250%		49,088	
11/01/43	1,870,000	5.250%	430,000	49,088	528,175
05/01/44	1,440,000	5.250%		37,800	
11/01/44	1,440,000	5.250%	455,000	37,800	530,600
05/01/45	985,000	5.250%		25,856	
11/01/45	985,000	5.250%	480,000	25,856	531,713
05/01/46	505,000	5.250%		13,256	
11/01/46	505,000	5.250%	505,000	13,256	531,513
<b>TOTAL</b>			<b>\$8,035,000</b>	<b>\$8,477,139</b>	<b>\$16,512,139</b>

**Verano #1**  
**Community Development District**  
**Proposed Budget**  
**Debt Service Series 2017, Special Assessment Refunding Bonds**

Description	Adopted Budget FY2026	Actuals Thru 3/31/26	Projected Next 6 Months	Projected Thru 9/30/26	Proposed Budget FY 2027
<b>REVENUES:</b>					
Special Assessments - Tax Roll	\$ 628,896	\$ 583,294	\$ 46,868	\$ 630,162	\$ 630,169
Interest Income	15,000	14,662	5,338	20,000	10,000
Carry Forward Balance	265,500	258,555	-	258,555	280,117
<b>TOTAL REVENUES</b>	<b>\$ 909,396</b>	<b>\$ 856,511</b>	<b>\$ 52,206</b>	<b>\$ 908,717</b>	<b>\$ 920,286</b>
<b>EXPENDITURES:</b>					
<b>Series 2017A-1</b>					
Interest - 11/01	\$ 110,606	\$ 110,606	\$ -	\$ 110,606	\$ 103,900
Interest - 05/01	370,000	-	370,000	370,000	103,900
Principal - 05/01	110,606	-	110,606	110,606	385,000
<b>Series 2017A-2</b>					
Interest - 11/01	8,694	8,694	-	8,694	8,219
Interest - 05/01	8,694	-	8,694	8,694	8,219
Principal - 05/01	20,000	-	20,000	20,000	25,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 628,600</b>	<b>\$ 119,300</b>	<b>\$ 509,300</b>	<b>\$ 628,600</b>	<b>\$ 634,238</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$ 280,796</b>	<b>\$ 737,211</b>	<b>\$ (457,094)</b>	<b>\$ 280,117</b>	<b>\$ 286,048</b>

A-1 Interest 11/01/2027	\$ 96,200
A-2 Interest 11/01/2027	7,625
	<u>\$ 103,825</u>

Product	Assessable Units	Total Gross Assessment	FY26 Gross Per Unit	FY27 Gross Per Unit	Increase/ (Decrease)
<b>Residential</b>					
Single Family - 40's	45	\$ 46,499.40	\$ 1,033.32	\$ 1,033.32	\$ -
Single Family - 50's	250	\$ 298,037.50	\$ 1,192.15	\$ 1,192.15	\$ -
Single Family - 60's	113	\$ 155,438.28	\$ 1,375.56	\$ 1,375.56	\$ -
Manor/Duplex	125	\$ 114,630.00	\$ 917.04	\$ 917.04	\$ -
<b>Non Residential</b>					
Clubhouse	19665	\$ 16,031.25	\$ 0.82	\$ 0.82	\$ -
Commercial (Publix)	35000	\$ 28,125.71	\$ 0.80	\$ 0.80	\$ -
Commercial (Allen Properties LLC)	30000	\$ 26,203.96	\$ 0.87	\$ 0.87	\$ -
<b>Total</b>	<b>533</b>	<b>\$ 684,966.10</b>			
Less: Discounts & Collections 8%		54,797.28			
Net Assessments		<u><u>630,168.82</u></u>			

**Verano #1**  
**Community Development District**  
**AMORTIZATION SCHEDULE**  
**Debt Service Series 2017A-1 Senior Special Assessment Refunding Bonds**

Period	Outstanding Balance	Coupons	Principal	Interest	Annual Debt Service
11/01/17	\$ 8,160,000	2.000%	\$ -	\$ 123,609	\$ 123,609
05/01/18	8,160,000	2.000%	295,000	147,349	
11/01/18	7,865,000	2.250%	-	144,399	586,748
05/01/19	7,865,000	2.250%	300,000	144,399	
11/01/19	7,565,000	2.500%	-	141,024	585,423
05/01/20	7,565,000	2.500%	305,000	141,024	
11/01/20	7,260,000	2.750%	10,000	137,211	593,235
05/01/21	7,250,000	2.750%	315,000	137,024	
11/01/21	6,935,000	3.000%	-	132,693	584,716
05/01/22	6,935,000	3.000%	325,000	132,693	
11/01/22	6,610,000	3.100%	-	127,818	585,510
05/01/23	6,610,000	3.100%	335,000	127,818	
11/01/23	6,275,000	3.250%	-	122,625	585,443
05/01/24	6,275,000	3.250%	345,000	122,625	
11/01/24	5,930,000	3.500%	-	117,019	584,644
05/01/25	5,930,000	3.500%	365,000	117,019	
11/01/25	5,565,000	3.625%	-	110,606	592,625
05/01/26	5,565,000	3.625%	370,000	110,606	
11/01/26	5,195,000	3.250%	-	103,900	584,506
05/01/27	5,195,000	4.000%	385,000	103,900	
11/01/27	4,810,000	4.000%	-	96,200	585,100
05/01/28	4,810,000	4.000%	400,000	96,200	
11/01/28	4,410,000	4.000%	-	88,200	584,400
05/01/29	4,410,000	4.000%	415,000	88,200	
11/01/29	3,995,000	4.000%	-	79,900	583,100
05/01/30	3,995,000	4.000%	430,000	79,900	
11/01/30	3,565,000	4.000%	-	71,300	581,200
05/01/31	3,565,000	4.000%	450,000	71,300	
11/01/31	3,115,000	4.000%	-	62,300	583,600
05/01/32	3,115,000	4.000%	470,000	62,300	
11/01/32	2,645,000	4.000%	-	52,900	585,200
05/01/33	2,645,000	4.000%	490,000	52,900	
11/01/33	2,155,000	4.000%	-	43,100	586,000
05/01/34	2,155,000	4.000%	505,000	43,100	
11/01/34	1,650,000	4.000%	-	33,000	581,100
05/01/35	1,650,000	4.000%	530,000	33,000	
11/01/35	1,120,000	4.000%	-	22,400	585,400
05/01/36	1,120,000	4.000%	550,000	22,400	
11/01/36	570,000	4.000%	-	11,400	583,800
05/01/37	570,000	4.000%	570,000	11,400	581,400
<b>TOTAL</b>			<b>\$8,160,000</b>	<b>\$3,666,758</b>	<b>\$11,826,758</b>

**Verano #1**  
**Community Development District**  
**AMORTIZATION SCHEDULE**  
**Debt Service Series 2017, Subordinate Special Assessment Refunding Bonds**

Period	Outstanding Balance	Coupons	Principal	Interest	Annual Debt Service
11/01/17	\$ 555,000	4.000%	\$ -	\$ 11,100	\$ 11,100
05/01/18	555,000	4.000%	20,000	13,231	
11/01/18	535,000	4.000%		12,831	46,063
05/01/19	535,000	4.000%	20,000	12,831	
11/01/19	515,000	4.000%		12,431	45,263
05/01/20	515,000	4.000%	20,000	12,431	
11/01/20	495,000	4.000%		12,031	44,463
05/01/21	495,000	4.000%	20,000	12,031	
11/01/21	475,000	4.000%		11,631	43,663
05/01/22	475,000	4.000%	20,000	11,631	
11/01/22	455,000	4.750%	35,000	11,231	77,863
05/01/23	420,000	4.750%	20,000	10,363	
11/01/23	400,000	4.750%	10,000	9,881	50,244
05/01/24	390,000	4.750%	20,000	9,644	
11/01/24	370,000	4.750%	-	9,169	38,813
05/01/25	370,000	4.750%	20,000	9,169	
11/01/25	350,000	4.750%		8,694	37,863
05/01/26	350,000	4.750%	20,000	8,694	
11/01/26	330,000	4.750%		8,219	36,913
05/01/27	330,000	4.750%	25,000	8,219	
11/01/27	305,000	5.000%		7,625	40,844
05/01/28	305,000	5.000%	25,000	7,625	
11/01/28	280,000	5.000%		7,000	39,625
05/01/29	280,000	5.000%	25,000	7,000	
11/01/29	255,000	5.000%		6,375	38,375
05/01/30	255,000	5.000%	25,000	6,375	
11/01/30	230,000	5.000%		5,750	37,125
05/01/31	230,000	5.000%	30,000	5,750	
11/01/31	200,000	5.000%		5,000	40,750
05/01/32	200,000	5.000%	30,000	5,000	
11/01/32	170,000	5.000%		4,250	39,250
05/01/33	170,000	5.000%	30,000	4,250	
11/01/33	140,000	5.000%		3,500	37,750
05/01/34	140,000	5.000%	30,000	3,500	
11/01/34	110,000	5.000%		2,750	36,250
05/01/35	110,000	5.000%	35,000	2,750	
11/01/35	75,000	5.000%		1,875	39,625
05/01/36	75,000	5.000%	35,000	1,875	
11/01/36	40,000	5.000%		1,000	37,875
05/01/37	40,000	5.000%	40,000	1,000	41,000
<b>TOTAL</b>			<b>\$555,000</b>	<b>\$305,712</b>	<b>\$860,712</b>

**Verano #1**  
**Community Development District**  
**Non-Ad Valorem Assessments Comparison**  
**2026-2027**

Neighborhood	O&M Units/ Acres	Bonds Units 2015	Bonds Units 2017 ex 2006	Annual Maintenance Assessments			Annual Debt Assessments				Total Assessed Per Unit				Increase/ (Decrease)		
				FY 2027	FY2026	Increase/ (decrease)	FY 2027		FY2026		FY 2027		FY2026			Total	
				O&M	O&M		Series 2015	Series 2017	Series 2015	Series 2017	Series 2015	Series 2017	Series 2015	Series 2017	Series 2015	Series 2017	
<b>Residential</b>																	
Single Family - 40's	210	163	45	\$ 136.70	\$ 136.70	\$ -	\$ 1,175.00	\$ 1,033.32	\$ 1,175.00	\$ 1,033.32	\$ 1,311.70	\$ 1,170.02	\$ 1,311.70	\$ 1,170.02	\$ -	\$ -	\$ -
Single Family - 50's	342	81	250	\$ 157.21	\$ 157.21	\$ -	\$ 1,355.00	\$ 1,192.15	\$ 1,355.00	\$ 1,192.15	\$ 1,512.21	\$ 1,349.36	\$ 1,512.21	\$ 1,349.36	\$ -	\$ -	\$ -
Single Family - 60's	176	60	113	\$ 181.81	\$ 181.81	\$ -	\$ 1,564.00	\$ 1,375.56	\$ 1,564.00	\$ 1,375.56	\$ 1,745.81	\$ 1,557.37	\$ 1,745.81	\$ 1,557.37	\$ -	\$ -	\$ -
Manor/Duplex	310	173	125	\$ 121.66	\$ 121.66	\$ -	\$ 1,053.00	\$ 917.04	\$ 1,053.00	\$ 917.04	\$ 1,174.66	\$ 1,038.70	\$ 1,174.66	\$ 1,038.70	\$ -	\$ -	\$ -
<b>Non Residential</b>																	
Clubhouse	32565	0	19665	\$ 0.0984	\$ 0.0984	\$ -	\$ -	\$ 0.82	\$ -	\$ 0.82	\$ -	\$ 0.92	\$ -	\$ 0.92	\$ -	\$ -	\$ -
Commercial (Publix)	60000	0	35000	\$ 0.2079	\$ 0.1100	\$ 0.10	\$ -	\$ 0.80	\$ -	\$ 0.80	\$ -	\$ 1.01	\$ -	\$ 0.91	\$ 0.10	\$ -	\$ 0.10
Commercial (Allen Properties LLC)	30000	0	30000	\$ 0.2079	\$ -	\$ 0.21	\$ -	\$ 0.87	\$ -	\$ 0.87	\$ -	\$ 1.08	\$ -	\$ 0.87	\$ 0.21	\$ -	\$ 0.21
Total Units	1038	477	533														
Total Acres	122565	0	84665														

NOTICE OF QUALIFYING PERIOD FOR CANDIDATES FOR THE BOARD OF SUPERVISORS OF THE  
VERANO #1 COMMUNITY DEVELOPMENT DISTRICT

NOTICE IS HEREBY GIVEN that the qualifying period for candidates for the office of Supervisor of the Verano #1 Community Development District ("District") will commence at [noon on June 8, 2026](#), and close at [noon on June 12, 2026](#). As provided in Section 99.061(8), Florida Statutes, qualifying papers may be submitted beginning [May 25, 2026](#), to be processed and filed during the qualifying period. Candidates must qualify for the office of Supervisors of the District with the St. Lucie County Supervisor of Elections, at one of the following locations (the Supervisor of Elections recommends that qualifying papers filed during the [June 8-12](#) qualifying period be submitted to the Fort Pierce office):

St. Lucie West South County Annex 250 NE Country Club Drive Port St. Lucie, Florida 34986-2408 Telephone: (772) 462-1500	Dorothy J. Conrad County Admin. Annex 1664 S.E. Walton Road Port St. Lucie, Florida 34952 Telephone: (772) 462-1500
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Renaissance Business Park 4132 Okeechobee Road Fort Pierce, Florida 34947 Telephone: (772) 462-1500	Tradition Tax Collector's Office 10264 SW Village Parkway Port St. Lucie, Florida 34987 (772) 462-1500
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All candidates shall qualify for individual seats in accordance with Section 99.061, Florida Statutes, and must also be qualified electors of the District. A qualified elector is any person at least 18 years of age who also is a citizen of the United States, a legal resident of the State of Florida and of the District, and who is registered to vote with the St. Lucie County Supervisor of Elections. Campaigns shall be conducted in accordance with Chapter 106, Florida Statutes.

The District has [two](#) seats up for election, specifically [Seat #1](#), and [Seat #4](#). Each seat carries a four-year term of office. Elections are nonpartisan and will be held at the same time as the general election on [November 3, 2026](#), in the manner prescribed by law for general elections.

For additional information, please contact the St. Lucie County Supervisor of Elections.

DISTRICT  
Andressa Hinz Philippi, District Manager  
VERANO #1 COMMUNITY DEVELOPMENT DISTRICT

**RULES OF PROCEDURE  
VERANO 1  
COMMUNITY DEVELOPMENT DISTRICT  
RULE NO. 2026-\_\_\_\_\_  
EFFECTIVE AS OF \_\_\_\_\_, 2026**

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**Rule 1.0      General.**

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

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

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

**Rule 1.1 Board of Supervisors; Officers and Voting.**

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

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

- (b) The Vice-Chairperson shall be a member of the Board and shall have such duties and responsibilities as specifically designated by the Board from time to time. The Vice-Chairperson has the authority to execute resolutions and contracts on the District's behalf in the absence of the Chairperson. If the Vice-Chairperson resigns from office or ceases to be a member of the Board, the Board shall select a Vice-Chairperson. The Vice-Chairperson serves at the pleasure of the Board.
- (c) The Secretary of the Board serves at the pleasure of the Board and need not be a member of the Board. The Secretary shall be responsible for maintaining the minutes of Board meetings and may have other duties assigned by the Board from time to time. An employee of the District Manager may serve as Secretary. The Secretary shall be bonded by a reputable and qualified bonding company in at least the amount of one million dollars (\$1,000,000), or have in place a fidelity bond, employee theft insurance policy, or a comparable product in at least the amount of one million dollars (\$1,000,000) that names the District as an additional insured.
- (d) The Treasurer need not be a member of the Board but must be a resident of the State of Florida. The Treasurer shall perform duties described in Section 190.007(2) and (3) of the Florida Statutes, as well as those assigned by the Board from time to time. The Treasurer shall serve at the pleasure of the Board. The Treasurer shall either be bonded by a reputable and qualified bonding company in at least the amount of one million dollars (\$1,000,000), or have in place a fidelity bond, employee theft insurance policy, or a comparable product in at least the amount of one million dollars (\$1,000,000) that names the District as an additional insured.
- (e) In the event that both the Chairperson and Vice-Chairperson are absent from a Board meeting and a quorum is present, the Board may designate one of its members or a member of District staff to convene and conduct the meeting. In such circumstances, any of the Board members present are authorized to execute agreements, resolutions, and other documents approved by the Board at such meeting. In the event that the Chairperson and Vice-Chairperson are both unavailable to execute a document

previously approved by the Board, the Secretary or any Assistant Secretary may execute such document.

- (f) The Board may assign additional duties to District officers from time to time, which include, but are not limited to, executing documents on behalf of the District.
  - (g) The Chairperson, Vice-Chairperson, and any other person authorized by District Resolution may sign checks and warrants for the District, countersigned by the Treasurer or other persons authorized by the Board.
- (3) Committees. The Board may establish committees of the Board, either on a permanent or temporary basis, to perform specifically designated functions. Committees may include individuals who are not members of the Board. Such functions may include, but are not limited to, review of bids, proposals, and qualifications, contract negotiations, personnel matters, and budget preparation.
  - (4) Record Book. The Board shall keep a permanent record book entitled “**Record of Proceedings**,” in which shall be recorded minutes of all meetings, resolutions, proceedings, certificates, and corporate acts. The Records of Proceedings shall be located at a District office and shall be available for inspection by the public.
  - (5) Meetings. For each fiscal year, the Board shall establish a schedule of regular meetings, which shall be published in a newspaper of general circulation within the county or counties in which the District is located and filed with the local general-purpose governments within whose boundaries the District is located. All meetings of the Board and committees serving an advisory function shall be open to the public in accord with the provisions of Chapter 286 of the Florida Statutes.
  - (6) Votes Required. No Board member who is present at any meeting of the District Board at which an official decision, ruling, or other official act is to be taken or adopted may abstain from voting in regard to any such decision, ruling, or act; and a vote shall be recorded or counted for each such Board member present, except when, with respect to any such member, there is, or appears to be, a possible conflict of interest under the provisions of s. 112.311, s. 112.313, or s. 112.3143 of the Florida Statutes.
  - (7) Voting Conflict of Interest. The Board shall comply with Section 112.3143 of the Florida Statutes, so as to ensure the proper disclosure of conflicts of interest on matters coming before the Board for a vote. For the purposes of this section, “**voting conflict of interest**” shall be governed by the Florida Constitution and Chapters 112 and 190 of the Florida Statutes, as amended from time to time. Generally, a voting conflict exists when a Board member is called upon to vote on an item which would inure to the Board member’s special private gain or loss or

the Board member knows would inure to the special private gain or loss of a principal by whom the Board member is retained, the parent organization or subsidiary of a corporate principal, a business associate, or a relative including only a father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law.

- (a) When a Board member knows the member has a conflict of interest on a matter coming before the Board, the member should notify the Board's Secretary prior to participating in any discussion with the Board on the matter. The member shall publicly announce the conflict of interest at the meeting. This announcement shall appear in the minutes.

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

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

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

file a Memorandum of Voting Conflict at any time in which it shall state the nature of the continuing conflict. Only one such continuing Memorandum of Voting Conflict shall be required to be filed for each term the Board member is in office.

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

**Law Implemented:** §§ 112.3143, 190.006, 190.007, 286.012, Fla. Stat.

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

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

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

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

District's local records office during regular business hours. All written public records requests shall be directed to the Secretary who by these rules is appointed as the District's records custodian. Regardless of the form of the request, any Board member or staff member who receives a public records request shall immediately forward or communicate such request to the Secretary for coordination of a prompt response. The Secretary, after consulting with District Counsel as to the applicability of any exceptions under the public records laws, shall be responsible for responding to the public records request. At no time can the District be required to create records or summaries of records, or prepare opinions regarding District policies, in response to a public records request.

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

making the public records request of the estimated cost, with the understanding that the final cost may vary from that estimate. If the person making the public records request decides to proceed with the request, payment of the estimated cost is required in advance. Should the person fail to pay the estimate, the District is under no duty to produce the requested records. After the request has been fulfilled, additional payments or credits may be due. The District is under no duty to produce records in response to future records requests if the person making the request owes the District for past unpaid duplication charges, special service charges, or other required payments or credits.

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

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

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

**Rule 1.3 Public Meetings, Hearings, and Workshops.**

- (1) Notice. Except in emergencies, or as otherwise authorized or required by statute or these Rules, at least seven (7) days', but not more than thirty (30) days' public notice shall be given of any public meeting, hearing or workshop of the Board. Public notice shall be given by publication in a newspaper of general circulation within the county or counties in which the District is located. A newspaper is deemed to be a newspaper of "**general circulation**" in the county in which the District is located if such newspaper has been in existence for two (2) years at the time of publication of the applicable notice (unless no newspaper within the county has been published for such length) and satisfies the criteria of section 50.011(1) of the Florida Statutes, or if such newspaper is a direct successor of a newspaper which has been so published, as such provisions may be amended from time to time by law. The annual meeting notice required to be published by Section 189.015 of the Florida Statutes, shall be published as provide in Chapter 50 of the Florida Statutes, and such notice published consistent therewith shall satisfy the requirement to give at least seven (7) days' public notice as required herein. Each Notice shall state, as applicable:
- (a) The date, time and place of the meeting, hearing or workshop;
  - (b) A brief description of the nature, subjects, and purposes of the meeting, hearing, or workshop;
  - (c) The District office address for the submission of requests for copies of the agenda, as well as a contact name and telephone number for verbal requests for copies of the agenda; and
  - (d) The following or substantially similar language: "Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at 954-721-8681. If you are hearing or speech impaired, please contact the Florida Relay Service at 1 (800) 955-8770 or 1 (800) 955-8771, who can aid you in contacting the District Office."
  - (e) The following or substantially similar language: "A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based."

- (f) The following or substantially similar language: “The meeting [or hearing or workshop] may be continued in progress without additional notice to a time, date, and location stated on the record.”

The date, time, and place of each meeting, hearing, or workshop of the Board shall additionally be posted on the District’s website at least seven (7) days prior to such meeting, hearing, or workshop.

- (2) Mistake. In the event that a meeting is held under the incorrect assumption that notice required by law and these Rules has been given, the Board at its next properly noticed meeting shall cure such defect by considering the agenda items from the prior meeting individually and anew.
- (3) Agenda. The District Manager, under the guidance of District Counsel and the Chairperson or Vice-Chairperson, shall prepare an agenda of the meeting/hearing/workshop. The agenda and any meeting materials available in an electronic format, excluding any i) confidential and ii) confidential and exempt information, shall be available to the public at least seven (7) days before the meeting/hearing/workshop, except in an emergency. Meeting materials shall be defined as, and limited to, the agenda, meeting minutes, resolutions, and agreements of the District that District staff deems necessary for Board approval. Inclusion of additional materials for Board consideration other than those defined herein as “meeting materials” shall not convert such materials into “meeting materials.” For good cause, the agenda may be changed after it is first made available for distribution, and additional materials may be added or provided under separate cover at the meeting. The requirement of good cause shall be liberally construed to allow the District to efficiently conduct business and to avoid the expenses associated with special meetings.

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

- Call to order
- Roll call
- Public comments
- Organizational matters
- Review of minutes
- Specific items of old business
- Specific items of new business
- Staff reports
  - (a) District Counsel
  - (b) District Engineer
  - (c) District Manager

1. Financial Report
  2. Approval of Expenditures
- Supervisor's requests and comments  
Adjournment

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

the annual budget(s). Approval of invoices by the Board in excess of the funds allocated to a particular budgeted line item shall serve to amend the budgeted line item.

- (9) Public Hearings. Notice of required public hearings shall contain the information required by applicable Florida law and by these Rules applicable to meeting notices and shall be mailed and published as required by Florida law. The District Manager shall ensure that all such notices, whether mailed or published, contain the information required by Florida law and these Rules and are mailed and published as required by Florida law. Public hearings may be held during Board meetings when the agenda includes such public hearing.
- (10) Participation by Teleconference/Videoconference. District staff may participate in Board meetings by teleconference or videoconference. Board members may also participate in Board meetings by teleconference or videoconference if in the good judgment of the Board extraordinary circumstances exist; provided however, at least three Board members must be physically present at the meeting location to establish a quorum. Such extraordinary circumstances shall be presumed when a Board member participates by teleconference or videoconference, unless a majority of the Board members physically present determines that extraordinary circumstances do not exist.
- (11) Board Authorization. The District has not adopted Robert's Rules of Order. For each agenda item, there shall be discussion permitted among the Board members during the meeting. Unless such procedure is waived by the Board, approval or disapproval of resolutions and other proposed Board actions shall be in the form of a motion by one Board member, a second by another Board member, and an affirmative vote by the majority of the Board members present. Any Board member, including the Chairperson, can make or second a motion.
- (12) Continuances. Any meeting or public hearing of the Board may be continued without re-notice or re-advertising provided that:
  - (a) The Board identifies on the record at the original meeting a reasonable need for a continuance;
  - (b) The continuance is to a specified date, time, and location publicly announced at the original meeting; and
  - (c) The public notice for the original meeting states that the meeting may be continued to a date and time and states that the date, time, and location of any continuance shall be publicly announced at the original meeting and posted at the District Office immediately following the original meeting.

- (13) Attorney-Client Sessions. An Attorney-Client Session is permitted when the District's attorneys deem it necessary to meet in private with the Board to discuss pending litigation to which the District is a party before a court or administrative agency or as may be authorized by law. The District's attorney must request such session at a public meeting. Prior to holding the Attorney-Client Session, the District must give reasonable public notice of the time and date of the session and the names of the persons anticipated to attend the session. The session must commence at an open meeting in which the Chairperson or Vice-Chairperson announces the commencement of the session, the estimated length of the session, and the names of the persons who will be attending the session. The discussion during the session is confined to settlement negotiations or strategy related to litigation expenses or as may be authorized by law. Only the Board, the District's attorneys (including outside counsel), the District Manager, and the court reporter may attend an Attorney-Client Session. During the session, no votes may be taken and no final decisions concerning settlement can be made. Upon the conclusion of the session, the public meeting is reopened, and the Chairperson or Vice-Chairperson must announce that the session has concluded. The session must be transcribed by a court-reporter and the transcript of the session filed with the District Secretary within a reasonable time after the session. The transcript shall not be available for public inspection until after the conclusion of the litigation.
- (14) Security and Firesafety Board Discussions. Portions of a meeting which relate to or would reveal a security or firesafety system plan or portion thereof made confidential and exempt by section 119.071(3)(a), Florida Statutes, are exempt from the public meeting requirements and other requirements of section 286.011, Florida Statutes, and section 24(b), Article 1 of the State Constitution. Should the Board wish to discuss such matters, members of the public shall be required to leave the meeting room during such discussion. Any records of the Board's discussion of such matters, including recordings or minutes, shall be maintained as confidential and exempt records in accordance with Florida law.

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

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

**Rule 1.4 Internal Controls to Prevent Fraud, Waste and Abuse**

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

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

## Rule 2.0 Rulemaking Proceedings.

- (1) Commencement of Proceedings. Proceedings held for adoption, amendment, or repeal of a District rule shall be conducted according to these Rules. Rulemaking proceedings shall be deemed to have been initiated upon publication of a Notice of Rule Development by the District as required by Section 2 of this Rule. A “**rule**” is a District statement of general applicability that implements, interprets, or prescribes law or policy, or describes the procedure or practice requirements of the District. Nothing herein shall be construed as requiring the District to consider or adopt rules unless required by Chapter 190 of the Florida Statutes. Policies adopted by the District which do not consist of rates, fees, rentals or other monetary charges may be, but are not required to be, implemented through rulemaking proceedings.
- (2) Requirements of a Rule. All District rules as drafted shall:
  - (a) Contain only one subject;
  - (b) Include readable language, meaning it avoids i) the use of obscure words and unnecessarily long or complicated constructions, and ii) the use of unnecessary technical or specialized language that is understood only by members of particular trades or professions;
  - (c) Be indefinite such that the rule does not include a provision whereby the rule, or a portion thereof, automatically expires or is repealed on a specific date or at the end of a specified period, unless otherwise expressly authorized by law; and
  - (d) Only incorporate material by reference in compliance with Section 120.54(1)(i) of the Florida Statutes.
- (3) Statement of Estimated Regulatory Costs. Before adopting, amending, or repealing any rule, other than an emergency rule, the District may prepare a statement of estimated regulatory costs (“**SERC**”) based on the factors set forth in Section 120.541(2) of the Florida Statutes. The District shall prepare a SERC for a proposed rule if in accordance with the requirements of Section 120.541(2) of the Florida Statutes if: i) the proposed rule will have an adverse economic impact on small business; or ii) the proposed rule is likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in the state within one (1) year after implementation of the rule.
- (4) Notice of Rule Development.

- (a) Except when the intended action is the repeal of a rule, the District shall provide notice of the development of a proposed rule (“**Notice of Rule Development**”) setting forth the following:
  - (i) the subject area to be addressed by rule development;
  - (ii) A short, plain explanation of the purpose and effect of the proposed rule;
  - (iii) The grant of rulemaking authority for the proposed rule;
  - (iv) The law being implemented;
  - (v) The proposed rule number; and
  - (vi) If available, either the preliminary text of the proposed rule and any incorporated documents, or a statement of how a person may promptly obtain, without cost, a copy of any preliminary draft of such rule or documents.
- (b) The Notice of Rule Development shall be published in a newspaper of general circulation within the county or counties in which the District is located at least seven (7) days prior to the Notice of Rulemaking required by Section 5 of this Rule, and at least thirty-five (35) days prior to the intended action.

(5) Notice of Rulemaking.

- (a) Prior to the adoption, amendment, or repeal of any rule other than an emergency rule, the District shall provide notice of its intended action (the “**Notice of Rulemaking**”) setting forth the following:
  - (i) A short, plain explanation of the purpose and effect of the proposed rule;
  - (ii) The proposed rule number;
  - (iii) A summary of the proposed rule or amendment;
  - (iv) The full text of the proposed rule or amendment and a summary thereof, unless not required pursuant to 120.81(2)(b) of the Florida Statutes or other Florida law;
  - (v) The grant of rulemaking authority for the proposed rule;

- (vi) The law being implemented or interpreted;
- (vii) The name, e-mail address, and telephone number of the agency employee who may be contacted regarding the intended action;
- (viii) A concise summary of the District's statement of the estimated regulatory costs, if one has been prepared, based on the factors set forth in Section 120.541(2) of the Florida Statutes, that describes the regulatory impact of the rule in readable language;
- (ix) The District's website where the statement of estimated regulatory costs can be viewed, in its entirety, if one has been prepared;
- (x) A statement that any person who wishes to provide the District with a lower cost regulatory alternative as provided by Section 120.541(1), must do so in writing within twenty-one (21) days after publication of the notice;
- (xi) A statement as to whether, based on the SERC or other information expressly relied upon and described by the District if no statement of regulatory costs is required, the proposed rule is expected to require legislative ratification pursuant to Section 120.541(3) of the Florida Statutes;
- (x) The date, time, and location of the public hearing on the proposed rule;
- (xi) The name, address, and telephone number of the District contact person who can provide information about the public hearing; and
- (xii) A reference to both the date on which and the place where the Notice of Rule Development required by Section 4 of this Rule appeared, except when the intended action is the repeal of a rule.

- (b) The Notice of Rulemaking shall be published in a newspaper of general circulation within the county or counties in which the District is located at least seven (7) days after the Notice of Rule Development required by Section 4 of this Rule, and at least twenty-eight (28) days prior to the intended action. If the Notice of Rulemaking is not published within one-hundred eighty (180) days of the publication of the Notice of Rule Development, then the District's Board shall approve a concise statement at least seven (7) days prior to the conclusion of the one-hundred eighty (180) day timeframe identifying the reason for the delay, which may be supplemented quarterly until the District has adopted the proposed rule.
  - (c) The Notice of Rulemaking shall be mailed or delivered electronically to all persons named in the proposed rule and to all persons who, at least fourteen (14) days before publication of the notice, have made requests of the District for advance notice of its rulemaking proceedings. Any person may file a written request with the District Manager to receive notice of the District's rulemaking proceedings. Such persons must furnish a mailing address or e-mail address, and may be required to pay the cost of copying and mailing as applicable.
  - (d) As of the date of publication of the Notice of Rulemaking, the Board shall make available for public inspection and shall provide, upon request and payment of the cost of copies, the proposed rule, including all material proposed to be incorporated by reference.
- (6) Modification of Rules.
- (a) Technical Changes.
    - (i) Prior to rule adoption, the District shall publish a notice of correction ("**Notice of Correction**") if any of the information that is required to be included in the Notice of Rulemaking, including technical changes that correct citations or grammatical, typographical or similar errors that do not otherwise affect the substance of the rule, is omitted or is incorrect. A Notice of Correction cannot be used to make substantive changes to the rule text. The Notice of Correction shall be published in a newspaper of general circulation within the county or counties in which the District is located at least seven (7) days prior to the intended action.
    - (ii) After rule adoption, a technical change to a rule may be approved at any time by the District. Promptly thereafter, a Notice of

Correction shall be published by the District in the manner set forth in Section 6(a)(i) of this Rule.

(b) Substantive Changes.

(i) Prior to rule adoption, the District may publish a notice of change (“**Notice of Change**”) if there is any substantive change, other than a technical change that corrects citations or grammatical, typographical or similar errors that do not otherwise affect the substance of the rule, to a proposed rule, including any material incorporated by reference, or to a SERC. The Notice of Change shall address a summary of the change and may be published in a newspaper of general circulation within the county or counties in which the District is located at least twenty-one (21) days prior to the intended action or as otherwise permissible . The Notice of Change shall also be sent to those persons set forth in Section 5(C) of this Rule that have made requests of the District for advance notice of its rulemaking proceedings. Any substantive change must be either be:

1. Supported by the record of the public hearing held on the proposed rule;
  2. In response to written materials submitted to the District;
- or
3. In response to an objection with the proposed rule by the District Board.

(ii) After rule adoption, a substantive change to a rule shall be effectuated by initiating rulemaking as set forth in this Rule.

(7) Withdrawal of Proposed Rules.

(a) Prior to the adoption of a rule, the District may elect to withdraw the proposed rule in whole or in part. After a rule has become effective, the District may only amend or repeal the rule through initiating the rulemaking procedures set forth in this Rule.

(b) Prior to the adoption of a rule, the District shall withdraw the proposed rule if the District has either failed to adopt such rule within one-hundred eighty (180) days of the publication of the Notice of Rule Development required by Section 4 of this Rule or to approve a concise statement at least seven (7) days prior to the conclusion of the one-hundred eighty (180)

day timeframe identifying the reason for the delay, which may be supplemented quarterly until the District has adopted the proposed rule.

- (c) In the event of a withdrawal of a proposed rule, the District shall publish a notice (“**Notice of Rule Withdrawal**”) in a newspaper of general circulation within the county or counties in which the District is located, and shall provide notice to those persons set forth in Section 5(c) of this Rule that have made requests of the District for advance notice of its rulemaking proceedings.
- (d) Within fifteen (15) days after the end of each calendar quarter, the District shall compile and post on its website a list of each failure to publish a Notice of Rulemaking within the timeframe prescribed by Section 5(b) of this Rule, which list shall include the information set forth in Section 120.54(3)(d)(7) of the Florida Statutes. The District is only required to provide such posting in any calendar quarter(s) in which there is an actual failure to timely publish a Notice of Rulemaking, if any.

(8) Rule Development Workshops.

- (a) Whenever requested in writing by any affected person, the District must conduct a rule development workshop prior to proposing rules for adoption for the purposes of rule development or information gathering for the preparation of the SERC, unless the Chairperson explains in writing why a workshop is unnecessary. The District may initiate a rule development workshop, but is not required to do so.
- (b) If a workshop is held, the District must ensure that the person(s) responsible for preparing the rule and the SERC, if applicable, are available to explain the District’s proposed rule and to respond to questions or comments regarding the rule being developed.
- (c) The notice of any workshop shall be published in a newspaper of general circulation within the county or counties in which the District is located at least fourteen (14) days prior to the workshop setting forth the following:
  - (i) The place, date, and time of the workshop;
  - (ii) The subject area that will be addressed; and
  - (iii) The District Manager’s contact information.

(9) Petitions to Initiate Rulemaking.

- (a) All Petitions to Initiate Rulemaking Proceedings must contain the name, address, and telephone number of the petitioner, the specific action requested, the specific reason for adoption, amendment, or repeal, the date submitted, the text of the proposed rule, and the facts showing that the petitioner is regulated by the District or has a substantial interest in the rulemaking. District staff shall forward a copy of the petition to the District's Board within seven (7) days of its receipt.
- (b) If the petition is directed to an adopted rule, within thirty (30) days following the date of filing a petition, the District shall either i) initiate rulemaking proceedings, ii) otherwise comply with the requested action, or iii) deny the petition with a written statement of its reasons for the denial.
- (c) If the petition is directed to an unadopted rule, within thirty (30) days following the date of filing a petition, the District shall either i) initiate rulemaking, or ii) set a public hearing to consider whether the public interest is served adequately by the application of the proposed rule on a case-by-case basis, as contrasted with its formal adoption as a rule.
  - (i) If the District elects to hold a public hearing, notice of the public hearing ("**Notice of Rulemaking Petition Public Hearing**") shall be published in a newspaper of general circulation within the county or counties in which the District is located. The public hearing shall be held by the District within thirty (30) days after publication of the Notice of Rulemaking Petition Public Hearing.
  - (ii) Not later than thirty (30) days following the date of the public hearing held pursuant to Section 9(c)(i) of this Rule, the District shall either i) initiate rulemaking proceedings, ii) otherwise comply with the requested action, or iii) deny the petition with a written statement of its reasons for the denial.
    1. If the District decides to initiate rulemaking it shall proceed with the rulemaking process as set forth in this Rule.
    2. If the District decides to not initiate rulemaking or otherwise comply with the requested action, the District shall publish a statement of its reasons for not initiating rulemaking or otherwise complying with the requested action and of any changes it will make in the scope or application of the unadopted rule (the "**Notice of Denial of Rulemaking Petition**"). The Notice of Denial of Rulemaking Petition shall be published in a newspaper of general

circulation within the county or counties in which the District is located.

- (d) Nothing in this Rule shall be construed as requiring the District to adopt, amend, or repeal a rule as initiated by petition.

(10) Public Hearing.

- (a) The District may, or, upon the written request of any affected person received within twenty-one (21) days after the date of publication of the Notice of Rulemaking, shall, provide a public hearing for the presentation of evidence, argument, and oral statements, within the reasonable conditions and limitations imposed by the District to avoid duplication, irrelevant comments, unnecessary delay, or disruption of the proceedings. When a public hearing is held, the District shall ensure that staff is available to explain the proposed rule and to respond to questions or comments regarding the proposed rule. Written statements may be submitted by any person prior to or at the public hearing. All timely submitted written statements shall be considered by the District and made part of the rulemaking record.
- (b) The District shall publish notice of the public hearing (“**Notice of Public Hearing**”) in a newspaper of general circulation within the county or counties in which the District is located, either in the text of the Notice of Rulemaking or in a separate publication at least seven (7) days before the scheduled public hearing. The Notice of Public Hearing shall include the following information:
  - (i) The date, time, and location of the public hearing; and
  - (ii) The name, address, and telephone number of the District contact person who can provide information about the public hearing.

(11) Emergency Rule Adoption.

- (a) The Board may adopt an emergency rule if it finds that immediate danger to the public health, safety, or welfare exists which requires immediate action or if the Legislature authorizes the District to adopt emergency rules. The District may use any procedure which is fair under the circumstances in the adoption of an emergency rule as long as it protects the public interest as determined by the District.
- (b) At the time or prior to the adoption of an emergency rule, the District shall post on its website a notice regarding its adoption of the emergency rule

(the “**Notice of Emergency Rule**”) which includes the specific facts and reasons for finding an immediate danger to the public health, safety, or welfare and its reasons for concluding that procedure used is fair under the circumstances. The Notice of Emergency Rule shall thereafter be promptly published in a newspaper of general circulation within the county or counties in which the District is located, and shall include the following information:

- (i) The full text of the rule(s); and
  - (ii) The District’s findings of immediate danger, necessity, and procedural fairness or a citation to the grant of emergency rulemaking authority.
- (c) An emergency rule shall be effective immediately upon adoption by the District, or on a date less than twenty (20) days thereafter if specified in the emergency rule if the District finds that a later effective date is necessary because of immediate danger to the public health, safety, or welfare. An emergency rule may not be effective for a period of more than ninety (90) days after adoption and may not be renewable, unless the District has initiated rulemaking to adopt rules addressing the subject of the emergency rule and either i) a challenge to the proposed rules has been filed and remains pending or ii) the proposed rules are awaiting ratification by the Legislature, if applicable. Nothing in this paragraph prohibits the District from adopting a rule identical to the emergency rule through the non-emergency rulemaking procedures set forth in this Rule.
- (i) If an emergency rule is being renewed in accordance with Section 11(d) of this Rule, notice of the renewal of the emergency rule (the “**Notice of Renewal of Emergency Rule**”) shall be published before the expiration of the existing emergency rule. The Notice of Renewal of Emergency Rule shall be published in a newspaper of general circulation within the county or counties in which the District is located and shall include the specific facts and reasons for such renewal.
  - (ii) For emergency rules with an effective period of longer than ninety (90) days which are intended to replace an existing rule, the Rulemaking Record for the existing rule, as required by Section 13 of this Rule, shall specifically identify the emergency rule that is intended to supersede the existing rule as well as the date that the emergency rule was adopted by the District.

- (d) The District may supersede an emergency rule in effect through the adoption of another emergency rule before the superseded rule expires. The District shall post on its website and publish a Notice of Emergency Rule, in accordance with Section 11(b) of this Rule, identifying the reason for adopting the superseding rule. The superseding rule shall not be in effect longer than the duration of the effective period of the superseded rule.
  - (e) The District may make technical changes to an emergency rule within the first seven (7) days after the rule is adopted, and such changes shall be published in a Notice of Correction as set forth in Section 6(a) of this Rule.
  - (f) The District may repeal an emergency rule before it expires by publishing a notice (“**Notice of Repeal of Emergency Rule**”) in a newspaper of general circulation within the county or counties in which the District is located. The Notice of Repeal of Emergency Rule shall include the following information:
    - (i) The full text of the emergency rule and a summary thereof;
    - (ii) The rule number; and
    - (iii) A short and plain explanation as to why the conditions specified in the Notice of Emergency Rule no longer require the emergency rule.
- (12) Negotiated Rulemaking. The District may use negotiated rulemaking in developing and adopting rules pursuant to Section 120.54(2)(d) of the Florida Statutes, except that any notices required under Section 120.54(2)(d) of the Florida Statutes, may be published in a newspaper of general circulation within the county or counties in which the District is located.
- (13) Rulemaking Record. In all rulemaking proceedings, the District shall compile and maintain a rulemaking record (“**Rulemaking Record**”) which shall be on file with the District at least twenty-one (21) days prior to the proposed adoption date of the rule. The Rulemaking Record shall include, as applicable:
  - (a) A copy of the rule;
  - (b) Any material incorporated by reference in the rule;
  - (c) A detailed written statement of the facts and circumstances justifying the proposed rule;

- (d) Any SERC for the rule, if required by Section 120.54(3)(b)1. of the Florida Statutes or otherwise prepared, and any information created or used by the District in determining whether a SERC is required;
- (e) A statement of the extent to which the proposed rule relates to federal standards on rules on the same subject;
- (f) The Notice of Rule Development, Notice of Rulemaking, and notice(s) of any workshops held pursuant to Section 8 of this Rule; and
- (g) If an emergency rule is intended to supersede an existing rule, the emergency rule number and the date that the emergency rule was adopted by the District.

(14) Petitions to Challenge Rules.

- (a) Any person substantially affected by a proposed or existing rule may seek an administrative determination of the invalidity of the rule on the ground that the rule is an invalid exercise of the District's authority.
  - (i) A petition alleging the invalidity of a proposed rule shall be filed within twenty-one (21) days after the date of publication of Notice of Rulemaking, within ten (10) days after the final public hearing is held on the proposed rule; within twenty (20) days after the SERC or revised SERC has been prepared and made available as provided in Section 120.541(1)(d) of the Florida Statutes, if applicable; or within twenty (20) days after the date of publication of the Notice of Rule Withdrawal required by Section 7(c) of this Rule.
  - (ii) A petition alleging the invalidity of an existing rule may be filed at any time during which the rule is in effect.
- (b) The petition seeking an administrative determination must state with particularity the provisions alleged to be invalid with sufficient explanation of the facts or grounds for the alleged invalidity and facts sufficient to show that the person challenging a proposed or existing rule is substantially affected by it. A person who is not substantially affected by the proposed rule as initially noticed, but who is substantially affected by the rule as a result of a change, may challenge any provision of the resulting proposed rule.
- (c) The petition shall be filed with the District. Within ten (10) days after receiving the petition, or seven (7) days if the challenge relates to an emergency rule, the Chairperson shall, if the petition complies with the

requirements of subsection (b) of this section, designate any member of the Board (including the Chairperson), District Manager, District Counsel, or other person as a hearing officer who shall conduct a hearing within thirty (30) days thereafter, or fourteen (14) days if the challenge relates to an emergency rule, unless the petition is withdrawn or a continuance is granted by agreement of the parties. The failure of the District to follow the applicable rulemaking procedures or requirements in this Rule shall be presumed to be material; however, the District may rebut this presumption by showing that the substantial interests of the petitioner and the fairness of the proceedings have not been impaired.

- (d) At the hearing, the petitioner and the District shall be adverse parties. Other substantially affected persons may join the proceedings as intervenors on appropriate terms which shall not unduly delay the proceedings.
- (e) Hearings held under this section shall be de novo in nature. For proposed rules, the petitioner has the burden to prove by a preponderance of the evidence that it would be substantially affected by the proposed rule, and the District has the burden to prove by a preponderance of the evidence that the proposed rule is not an invalid exercise of delegated legislative authority as to the objections raised. For existing rules, the petitioner has a burden of proving by a preponderance of the evidence that the existing rule is an invalid exercise of District authority as to the objections raised. During the hearing, the hearing officer may:
  - (i) Administer oaths and affirmations;
  - (ii) Rule upon offers of proof and receive relevant evidence;
  - (iii) Regulate the course of the hearing, including any pre-hearing matters;
  - (iv) Enter orders; and
  - (v) Make or receive offers of settlement, stipulation, and adjustment.
- (f) Within thirty (30) days after the hearing, or fourteen (14) days of the challenge relate to an emergency rule, the hearing officer shall render a decision and state the reasons therefor in writing. The hearing officer's order shall be considered final agency action. The hearing officer may declare all or part of a proposed or existing rule invalid. For a proposed rule, the proposed rule or provision thereof declared invalid shall not be adopted unless the decision of the hearing officer is reversed on appeal.

In the event part of a proposed rule is declared invalid, the District may, in its sole discretion, withdraw the proposed rule in its entirety. For an existing rule, the rule or part thereof declared invalid shall become void when the time for filing an appeal expires. In the event that a proposed or existing rule has been declared invalid in whole or part, the District shall promptly publish notice of such occurrence published in a newspaper of general circulation within the county or counties in which the District is located.

(15) Variations and Waivers. A “**variance**” means a decision by the District to grant a modification to all or part of the literal requirements of a rule to a person who is subject to the rule. A “**waiver**” means a decision by the District not to apply all or part of a rule to a person who is subject to the rule. Variations and waivers from District rules may be granted subject to the following:

- (a) Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person, and when application of the rule would create a substantial hardship or would violate principles of fairness. For purposes of this section, “**substantial hardship**” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, “**principles of fairness**” are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.
- (b) A person who is subject to regulation by a District rule may file a petition with the District, requesting a variance or waiver from the District’s rule. Each petition shall specify:
  - (i) The rule from which a variance or waiver is requested;
  - (ii) The type of action requested;
  - (iii) The specific facts that would justify a waiver or variance for the petitioner; and
  - (iv) The reason why the variance or the waiver requested would serve the purposes of the underlying statute.
- (c) The District shall review the petition and may request only that information needed to clarify the petition or to answer new questions raised by or directly related to the petition. If the petitioner asserts that any request for additional information is not authorized by law or by rule

of the District, the District shall proceed, at the petitioner's written request, to process the petition.

- (d) The Board shall grant or deny a petition for variance or waiver and shall announce such disposition at a publicly held meeting of the Board, within ninety (90) days after receipt of the original petition, the last item of timely requested additional material, or the petitioner's written request to finish processing the petition. The District's statement granting or denying the petition shall contain a statement of the relevant facts and reasons supporting the District's action. The District shall maintain a record of the type and disposition of each petition filed.

(16) Review of Adopted Rules.

- (a) By January 1, 2026, District staff shall prepare a report that summarizes the District's existing rules anticipated to be reviewed during the current fiscal year, if any, and the recommended action on each rule (the "**Existing Rule Review Report**"). The Existing Rule Review Report shall be presented to the District's Board at a noticed Board meeting as soon as practicable after preparation by District staff. District staff shall continue to annually prepare an updated Existing Rule Review Report by January 1 of each year until all District rules have been reviewed. The District is not bound to review its existing rules in accordance with the schedule set forth in an Existing Rule Review Report, but is required to complete the review of at least twenty (20%) percent of its existing rules per year until all existing rules have been reviewed in accordance with this Section. In any event, all existing rules of the District shall be reviewed by July 1, 2030.
- (b) Any new rule adopted after July 1, 2025, must be reviewed in the fifth year following adoption. Such review must be completed before the day that marks the sixth year since the adoption of the rule.
- (c) In conducting its rule review process, the District shall determine whether each rule:
  - (i) Is a valid exercise of delegated legislative authority;
  - (ii) Has current statutory authority;
  - (iii) Reiterates or paraphrases statutory material;
  - (iv) Is in proper form;

- (v) Is consistent with expressed legislative intent pertaining to the specific provisions of law which the rule implements;
  - (vi) Requires a technical or substantive update to reflect current use; and
  - (vii) Requires updated references to statutory citations and incorporated materials.
- (d) By April 1 of each year in which a rule review is being undertaken, the District shall adopt a resolution evidencing the completion of rule review and authorizing one of the following actions relative to its rule review (the “**Rule Review Resolution**”):
- (i) If the District determines that no change is necessary, the District Rule Review Resolution shall include the following information:
    - 1. A copy of the reviewed rule;
    - 2. A written statement of its intended action; and
    - 3. Its assessment of factors specified in Section 16(c) of this Rule.
  - (ii) If the District determines that one or more technical changes are necessary, the District Rule Review Resolution shall include the following information:
    - 1. A copy of the reviewed rule and the recommended technical change or changes coded by underlining new text and striking through deleted text;
    - 2. A written statement of its intended action;
    - 3. Its assessment of the factors specified in Section 16(c) of this Rule; and
    - 4. The facts and circumstances justifying the technical change or changes to the reviewed rule.
  - (iii) If the District determines that the rule requires a substantive change, the District shall promptly initiate rulemaking in accordance with this Rule to make all changes, including any

technical changes, and the District Rule Review Resolution shall include the following information:

1. A copy of the reviewed rule;
2. The recommended change or changes coded by underlining new text and striking through deleted text;
3. A written statement of its intended action; and
4. Its assessment of factors specified in Section 16(c) of this Rule.

(iv) If the District determines that the rule should be repealed, the District shall promptly initiate the repeal the rule in accordance with this Rule, and the District Rule Review Resolution shall include the following information:

1. A written statement of its intended action; and
2. Its assessment of factors specified in subsection 16(c) of this Rule.

(e) The rule review is completed upon the District’s adoption of the Rule Review Resolution and, if there is a substantive change or repeal of a rule approved the Board, the timely commencement of the rulemaking or rule repeal process set forth in this Rule. Promptly after completion of the rule review, the District shall publish a notice of the completed rule review (“**Notice of Completed Rule Review**”) in a newspaper of general circulation within the county or counties in which the District is located. The Notice of Completed Rule Review shall identify the action taken by the District with respect to the reviewed rule.

(17) Rates, Fees, Rentals and Other Charges. All rates, fees, rentals, or other charges shall be subject to rulemaking proceedings.

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

**Law Implemented:** §§ 120.54, 120.542, 120.5435, 120.56, 120.81(2)(b), 190.011(5), 190.035(2), Fla. Stat.

**Rule 3.0 Competitive Purchase.**

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

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

hurricanes, accidents, or any circumstances or cause beyond the control of the Board in the normal conduct of its business), where the Board finds that the delay incident to competitive purchase would be detrimental to the interests of the District. This includes, but is not limited to, instances where the time to competitively award the project will jeopardize the funding for the project, will materially increase the cost of the project, or will create an undue hardship on the public health, safety, or welfare.

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

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

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

**Specific Authority:** §§ 190.011(5), 190.011(15), Fla. Stat.  
**Law Implemented:** §§ 190.033, 255.20, 287.055, Fla. Stat.

**Rule 3.1 Procedure Under the Consultants' Competitive Negotiations Act.**

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

Evidence of compliance with this Rule may be submitted with the qualifications, if requested by the District. In addition, evidence of compliance must be submitted any time requested by the District.

- (3) Public Announcement. Except in cases of valid public emergencies as certified by the Board, the District shall announce each occasion when Professional Services are required for a Project or a Continuing Contract by publishing a notice providing a general description of the Project, or the nature of the Continuing Contract, and the method for interested consultants to apply for consideration. The notice shall appear in at least one (1) newspaper of general circulation within the county or counties in which the District is located and in such other places as the District deems appropriate. The notice must allow at least fourteen (14) days for submittal of qualifications from the date of publication. The District may maintain lists of consultants interested in receiving such notices. These consultants are encouraged to submit annually statements of qualifications and performance data. The District shall make reasonable efforts to provide copies of any notices

to such consultants, but the failure to do so shall not give such consultants any bid protest or other rights or otherwise disqualify any otherwise valid procurement process. The Board has the right to reject any and all qualifications, and such reservation shall be included in the published notice. Consultants not receiving a contract award shall not be entitled to recover from the District any costs of qualification package preparation or submittal.

(4) Competitive Selection.

- (a) The Board shall review and evaluate the data submitted in response to the notice described in section (3) of this Rule regarding qualifications and performance ability, as well as any statements of qualifications on file. The Board shall conduct discussions with, and may require public presentation by consultants regarding their qualifications, approach to the Project, and ability to furnish the required services. The Board shall then select and list the consultants, in order of preference, deemed to be the most highly capable and qualified to perform the required Professional Services, after considering these and other appropriate criteria:
  - (i) The ability and adequacy of the professional personnel employed by each consultant;
  - (ii) Whether a consultant is a certified minority business enterprise;
  - (iii) Each consultant's past performance;
  - (iv) The willingness of each consultant to meet time and budget requirements;
  - (v) The geographic location of each consultant's headquarters, office and personnel in relation to the project;
  - (vi) The recent, current, and projected workloads of each consultant; and
  - (vii) The volume of work previously awarded to each consultant by the District.
- (b) Nothing in these Rules shall prevent the District from evaluating and eventually selecting a consultant if less than three (3) Responsive qualification packages, including packages indicating a desire not to provide Professional Services on a given Project, are received.

- (c) If the selection process is administered by any person or committee other than the full Board, the selection made will be presented to the full Board with a recommendation that competitive negotiations be instituted with the selected firms in order of preference listed.
- (d) Notice of the rankings adopted by the Board, including the rejection of some or all qualification packages, shall be provided in writing to all proposers by e-mail (with a delivery and read receipt), United States Mail, hand delivery, or overnight delivery service. The District may alternatively post the notice of intent to award on its website at the conclusion of the Board meeting where the proposals were evaluated if so provided for in the Request for Qualifications. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's ranking decisions under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

(5) Competitive Negotiation.

- (a) After the Board has authorized the beginning of competitive negotiations, the District may begin such negotiations with the firm listed as most qualified to perform the required Professional Services at a rate or amount of compensation which the Board determines is fair, competitive, and reasonable.
- (b) In negotiating a lump-sum or cost-plus-a-fixed-fee professional contract for more than the threshold amount provided in Section 287.017 of the Florida Statutes, for CATEGORY FOUR, the firm receiving the award shall be required to execute a truth-in-negotiation certificate stating that "wage rates and other factual unit costs supporting the compensation are accurate, complete and current at the time of contracting." In addition, any professional service contract under which such a certificate is required, shall contain a provision that "the original contract price and any additions thereto, shall be adjusted to exclude any significant sums by which the Board determines the contract price was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs."
- (c) Should the District be unable to negotiate a satisfactory agreement with the firm determined to be the most qualified at a price deemed by the District to be fair, competitive, and reasonable, then negotiations with that firm shall be terminated and the District shall immediately begin negotiations with the second most qualified firm. If a satisfactory

agreement with the second firm cannot be reached, those negotiations shall be terminated and negotiations with the third most qualified firm shall be undertaken.

- (d) Should the District be unable to negotiate a satisfactory agreement with one of the top three (3) ranked consultants, additional firms shall be selected by the District, in order of their competence and qualifications. Negotiations shall continue, beginning with the first-named firm on the list, until an agreement is reached or the list of firms is exhausted.
- (6) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
- (7) Continuing Contract. Nothing in this Rule shall prohibit a Continuing Contract between a consultant and the District.
- (8) Emergency Purchase. The District may make an Emergency Purchase without complying with these Rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

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

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

### Rule 3.2 Procedure Regarding Auditor Selection.

In order to comply with the requirements of Section 218.391 of the Florida Statutes, the following procedures are outlined for selection of firms or individuals to provide Auditing Services and for the negotiation of such contracts. “**Auditing Services**” means those services within the scope of the practice of a certified public accounting firm licensed under Chapter 473 of the Florida Statutes, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. For audits required under Chapter 190 of the Florida Statutes but not meeting the thresholds of Chapter 218 of the Florida Statutes, the District need not follow these procedures but may proceed with the selection of a firm or individual to provide Auditing Services and for the negotiation of such contracts in the manner the Board determines is in the best interests of the District.

- (1) Establishment of Auditor Selection Committee. Prior to a public announcement under section (3) of this Rule that Auditing Services are required, the Board shall establish an auditor selection committee (“**Committee**”), the primary purpose of which is to assist the Board in selecting an auditor to conduct the annual financial audit required by Section 218.39 of the Florida Statutes. The Committee shall include at least three individuals, at least one of which must also be a member of the Board. The establishment and selection of the Committee must be conducted at a publicly noticed and held meeting of the Board. The Chairperson of the Committee must be a member of the Board. An employee, a chief executive officer, or a chief financial officer of the District may not serve as a member of the Committee; provided however such individual may serve the Committee in an advisory capacity.
  
- (2) Establishment of Minimum Qualifications and Evaluation Criteria. Prior to a public announcement under section (3) of this Rule that Auditing Services are required, the Committee shall meet at a publicly noticed meeting to establish minimum qualifications and factors to use for the evaluation of Auditing Services to be provided by a certified public accounting firm licensed under Chapter 473 of the Florida Statutes, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.
  - (a) Minimum Qualifications. In order to be eligible to submit a proposal, a firm must, at all relevant times including the time of receipt of the proposal by the District:
    - (i) Hold all required applicable state professional licenses in good standing;
    - (ii) Hold all required applicable federal licenses in good standing, if any;

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

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

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

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

- (3) Public Announcement. After identifying the factors to be used in evaluating the proposals for Auditing Services as set forth in section (2) of this Rule, the Committee shall publicly announce the opportunity to provide Auditing Services. Such public announcement shall include a brief description of the audit and how interested firms can apply for consideration and obtain the RFP. The notice shall appear in at least one (1) newspaper of general circulation within the county or counties in which the District is located. The public announcement shall allow for at least seven (7) days for the submission of proposals.
- (4) Request for Proposals. The Committee shall provide interested firms with a Request for Proposals (“RFP”). The RFP shall provide information on how proposals are to be evaluated and such other information the Committee determines is necessary for the firm to prepare a proposal. The RFP shall state the time and place for submitting proposals, which may be submitted either electronically or via hard copy as determined by the District and provided for in

the RFP. For the avoidance of doubt, the Proposals shall not be required to be publicly opened at the date, time, and place provided for in the RFP relative to the submission of Proposals.

- (5) Committee's Evaluation of Proposals and Recommendation. The Committee shall meet at a publicly held meeting that is publicly noticed for a reasonable time in advance of the meeting to evaluate all qualified proposals and may, as part of the evaluation, require that each interested firm provide a public presentation where the Committee may conduct discussions with the firm, and where the firm may present information, regarding the firm's qualifications. At the public meeting, the Committee shall rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to subsection (2)(b) of this Rule. If fewer than three firms respond to the RFP or if no firms respond to the RFP, the Committee shall recommend such firm as it deems to be the most highly qualified. Notwithstanding the foregoing, the Committee may recommend that any and all proposals be rejected.

(6) Board Selection of Auditor.

- (a) Where compensation was not selected as a factor used in evaluating the proposals, the Board shall negotiate with the firm ranked first and inquire of that firm as to the basis of compensation. If the Board is unable to negotiate a satisfactory agreement with the first ranked firm at a price deemed by the Board to be fair, competitive, and reasonable, then negotiations with that firm shall be terminated and the Board shall immediately begin negotiations with the second ranked firm. If a satisfactory agreement with the second ranked firm cannot be reached, those negotiations shall be terminated and negotiations with the third ranked firm shall be undertaken. The Board may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time. If the Board is unable to negotiate a satisfactory agreement with any of the selected firms, the Committee shall recommend additional firms in order of the firms' respective competence and qualifications. Negotiations shall continue, beginning with the first-named firm on the list, until an agreement is reached or the list of firms is exhausted.
- (b) Where compensation was selected as a factor used in evaluating the proposals, the Board shall select the highest-ranked qualified firm or document in its public records the reason for not selecting the highest-ranked qualified firm.

- (c) In negotiations with firms under this Rule, the Board may allow the District Manager, District Counsel, or other designee to conduct negotiations on its behalf.
  - (d) Notwithstanding the foregoing, the Board may reject any or all proposals. The Board shall not consider any proposal, or enter into any contract for Auditing Services, unless the proposed agreed-upon compensation is reasonable to satisfy the requirements of Section 218.39 of the Florida Statutes, and the needs of the District.
- (7) Contract. Any agreement reached under this Rule shall be evidenced by a written contract, which may take the form of an engagement letter signed and executed by both parties. The written contract shall include all provisions and conditions of the procurement of such services and shall include, at a minimum, the following:
- (a) A provision specifying the services to be provided and fees or other compensation for such services;
  - (b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract;
  - (c) A provision setting forth deadlines for the auditor to submit a preliminary draft audit report to the District for review and to submit a final audit report no later than June 30 of the fiscal year that follows the fiscal year for which the audit is being conducted;
  - (d) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed. The maximum contract period including renewals shall be eight (8) years. A renewal may be done without the use of the auditor selection procedures provided in this Rule but must be in writing.
  - (e) Provisions required by law that require the auditor to comply with public records laws.
- (8) Notice of Award. Once a negotiated agreement with a firm or individual is reached, or the Board authorizes the execution of an agreement with a firm where compensation was a factor in the evaluation of proposals, notice of the intent to award, including the rejection of some or all proposals, shall be provided in writing to all proposers by e-mail (with a delivery and read receipt), United States Mail, hand delivery, or overnight delivery service. The District may alternatively post the notice of intent to award on its website at the conclusion of the Board meeting where the proposals were evaluated if so provided for in the RFP. The notice shall

include the following statement: “Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules,” or wording to that effect. Protests regarding the award of contracts under this Rule shall be as provided for in Rule 3.11. No proposer shall be entitled to recover any costs of proposal preparation or submittal from the District.

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

**Law Implemented:** §§ 119.0701, 218.33, 218.391, Fla. Stat.

**Rule 3.3 Purchase of Insurance.**

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

dependents, the geographic location of the company's headquarters and offices in relation to the District, and the ability of the company to guarantee premium stability may be considered. A contract to purchase insurance shall be awarded to that company whose response to the Invitation to Bid best meets the overall needs of the District, its officers, employees, and/or dependents.

- (h) Notice of the intent to award, including rejection of some or all bids, shall be provided in writing to all proposers by e-mail (with a delivery and read receipt), United States Mail, hand delivery, or overnight delivery service. The District may alternatively post the notice of intent to award on its website at the conclusion of the Board meeting where the proposals were evaluated if so provided for in the Invitation to Bid. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's procurement of insurance under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

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

**Law Implemented:** § 112.08, Fla. Stat.

**Rule 3.4 Pre-qualification**

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

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

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

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

- (g) Qualifications shall be presented to the Board, or a committee appointed by the Board, for evaluation in accordance with the Request for Qualifications and this Rule. Minor variations in the qualifications may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature.
- (h) All vendors determined by the District to meet the pre-qualification requirements shall be pre-qualified. To assure full understanding of the responsiveness to the requirements contained in a Request for Qualifications, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion and revision of qualifications. For construction services, any contractor pre-qualified and considered eligible by the Department of Transportation to bid to perform the type of work the project entails shall be presumed to be qualified to perform the project.
- (i) The Board shall have the right to reject all qualifications if there are not enough to be competitive or if rejection is determined to be in the best

interest of the District. No vendor shall be entitled to recover any costs of qualification preparation or submittal from the District.

- (j) If the selection process is administered by any person or committee other than the full Board, the selection made will be presented to the full Board with a recommendation that competitive negotiations be instituted with the selected firms in order of preference listed.
- (k) Notice of intent to pre-qualify, including rejection of some or all qualifications, shall be provided in writing to all proposers by e-mail (with a delivery and read receipt), United States Mail, hand delivery, or overnight delivery service. The District may alternatively post the notice of intent to award on its website at the conclusion of the Board meeting where the proposals were evaluated if so provided for in the Request for Qualifications. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's pre-qualification decisions under this Rule shall be in accordance with the procedures set forth in Rule 3.11; provided however, protests related to the pre-qualification criteria and procedures for construction services shall be resolved in accordance with section (2)(b) of this Rule and Section 255.20(1)(b) of the Florida Statutes.

(2) Suspension, Revocation, or Denial of Qualification

- (a) The District, for good cause, may deny, suspend, or revoke a prequalified vendor's pre-qualified status. A suspension, revocation, or denial for good cause shall prohibit the vendor from bidding on any District construction contract for which qualification is required, shall constitute a determination of non-responsibility to bid on any other District construction or maintenance contract, and shall prohibit the vendor from acting as a material supplier or subcontractor on any District contract or project during the period of suspension, revocation, or denial. Good cause shall include the following:
  - (i) One of the circumstances specified under Section 337.16(2), Fla. Stat., has occurred.
  - (ii) Affiliated contractors submitted more than one proposal for the same work. In this event the pre-qualified status of all of the affiliated bidders will be revoked, suspended, or denied. All bids of affiliated bidders will be rejected.

- (iii) The vendor made or submitted false, deceptive, or fraudulent statements, certifications, or materials in any claim for payment or any information required by any District contract.
- (iv) The vendor or its affiliate defaulted on any contract or a contract surety assumed control of financial responsibility for any contract of the vendor.
- (v) The vendor's qualification to bid is suspended, revoked, or denied by any other public or semi-public entity, or the vendor has been the subject of a civil enforcement proceeding or settlement involving a public or semi-public entity.
- (vi) The vendor failed to comply with contract or warranty requirements or failed to follow District direction in the performance of a contract.
- (vii) The vendor failed to timely furnish all contract documents required by the contract specifications, special provisions, or by any state or federal statutes or regulations. If the vendor fails to furnish any of the subject contract documents by the expiration of the period of suspension, revocation, or denial set forth above, the vendor's pre-qualified status shall remain suspended, revoked, or denied until the documents are furnished.
- (viii) The vendor failed to notify the District within 10 days of the vendor, or any of its affiliates, being declared in default or otherwise not completing work on a contract or being suspended from qualification to bid or denied qualification to bid by any other public or semi-public agency.
- (ix) The vendor did not pay its subcontractors or suppliers in a timely manner or in compliance with contract documents.
- (x) The vendor has demonstrated instances of poor or unsatisfactory performance, deficient management resulting in project delay, poor quality workmanship, a history of payment of liquidated damages, untimely completion of projects, uncooperative attitude, contract litigation, inflated claims or defaults.
- (xi) An affiliate of the vendor has previously been determined by the District to be non-responsible, and the specified period of suspension, revocation, denial, or non-responsibility remains in effect.

(xii) The vendor or affiliate(s) has been convicted of a contract crime.

1. The term “**contract crime**” means any violation of state or federal antitrust laws with respect to a public contract or any violation of any state or federal law involving fraud, bribery, collusion, conspiracy, or material misrepresentation with respect to a public contract.

2. The term “**convicted**” or “**conviction**” means a finding of guilt or a conviction of a contract crime, with or without an adjudication of guilt, in any federal or state trial court of record as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

(b) A denial, suspension, or revocation shall prohibit the vendor from being a subcontractor on District work during the period of denial, suspension, or revocation, except when a prime contractor’s bid has used prices of a subcontractor who becomes disqualified after the bid, but before the request for authorization to sublet is presented.

(c) The District shall inform the vendor in writing of its intent to deny, suspend, or revoke its pre-qualified status and inform the vendor of its right to a hearing, the procedure which must be followed, and the applicable time limits. If a hearing is requested within 10 days after the receipt of the notice of intent, the hearing shall be held within 30 days after receipt by the District of the request for the hearing. The decision shall be issued within 15 days after the hearing.

(d) Such suspension or revocation shall not affect the vendor’s obligations under any preexisting contract.

(e) In the case of contract crimes, the vendor’s pre-qualified status under this Rule shall be revoked indefinitely. For all violations of Rule 3.4(3)(a) other than for the vendor’s conviction for contract crimes, the revocation, denial, or suspension of a vendor’s pre-qualified status under this Rule shall be for a specific period of time based on the seriousness of the deficiency.

Examples of factors affecting the seriousness of a deficiency are:

(i) Impacts on project schedule, cost, or quality of work;

(ii) Unsafe conditions allowed to exist;

- (iii) Complaints from the public;
- (iv) Delay or interference with the bidding process;
- (v) The potential for repetition;
- (vi) Integrity of the public contracting process;
- (vii) Effect on the health, safety, and welfare of the public.

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

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

**Rule 3.5 Construction Contracts, Not Design-Build.**

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

shall not invalidate any contract awarded in accordance with this Rule and shall not be a basis for a protest of any contract award.

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

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

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

- (f) Bids, proposals, replies, and responses, or the portions of which that include the price, shall be publicly opened at a meeting noticed in accordance with Rule 1.3, and at which at least one district representative

is present. The name of each bidder and the price submitted in the bid shall be announced at such meeting and shall be made available upon request. Minutes should be taken at the meeting and maintained by the District. Bids, proposals, replies, and responses shall be evaluated in accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation and these Rules. Minor variations in the bids, proposals, replies, or responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.

- (g) The lowest Responsive Bid submitted by a Responsive and Responsible Bidder in response to an Invitation to Bid shall be accepted. In relation to a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, the Board shall select the Responsive Proposal, Reply, or Response submitted by a Responsive and Responsible Vendor which is most advantageous to the District. To assure full understanding of the responsiveness to the solicitation requirements contained in a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, and responses.
- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No contractor shall be entitled to recover any costs of bid, proposal, response, or reply preparation or submittal from the District.
- (i) The Board may require potential contractors to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
- (j) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase construction services or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may proceed with the procurement of construction services, in the manner the

Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the construction services without further competitive selection processes.

- (k) If the selection process is administered by any person or committee other than the full Board, the selection made will be presented to the full Board with a recommendation that competitive negotiations be instituted with the selected firms in order of preference listed.
  - (l) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses, shall be provided in writing to all proposers by e-mail (with a delivery and read receipt), United States Mail, hand delivery, or overnight delivery service. The District may alternatively post the notice of intent to award on its website at the conclusion of the Board meeting where the proposals were evaluated if so provided for in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's purchase of construction services under this Rule shall be in accordance with the procedures set forth in Rule 3.11.
- (3) Sole Source; Government. Construction services that are only available from a single source are exempt from this Rule. Construction services provided by governmental agencies are exempt from this Rule. This Rule shall not apply to the purchase of construction services, which may include goods, supplies, or materials, that are purchased under a federal, state, or local government contract that has been competitively procured by such federal, state, or local government in a manner consistent with the material procurement requirements of these Rules. A contract for construction services is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process.
  - (4) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
  - (5) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board Meeting.
  - (6) Exceptions. This Rule is inapplicable when:

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

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

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

**Rule 3.6 Construction Contracts, Design-Build.**

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

competitive proposals from qualified firms shall be solicited pursuant to the design criteria by the following procedure:

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

Any contractor that has been found guilty by a court of any violation of federal labor or employment tax laws regarding

subjects including but not limited to reemployment assistance, safety, tax withholding, worker's compensation, unemployment tax, social security and Medicare tax, wage or hour, or prevailing rate laws within the past 5 years may be considered ineligible by the District to submit a bid, response, or proposal for a District project.

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

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

7. Notice of the rankings adopted by the Board, including the rejection of some or all proposals, shall be provided in writing to all proposers by e-mail (with a delivery and read receipt), United States Mail, hand delivery, or overnight delivery service. The District may alternatively post the notice of intent to award on its website at the conclusion of the Board meeting where the proposals were evaluated if so provided for in the Design Criteria Package. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's rankings under this Rule shall be in accordance with the procedures set forth in Rule 3.11.
  
8. The Board shall negotiate a contract with the firm ranking the highest based on the evaluation standards and shall establish a price which the Board determines is fair, competitive and reasonable. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. The Board shall then undertake negotiations with the second most qualified firm, based on the ranking by the evaluation standards. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the second most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. The Board shall then undertake negotiations with the third most qualified firm. Should the Board be unable to negotiate a satisfactory contract with the firm considered to be the third most qualified at a price considered by the Board to be fair, competitive, and reasonable, negotiations with that firm must be terminated. Should the Board be unable to negotiate a satisfactory contract with any of the selected firms, the Board shall select additional firms in order of their rankings based on the evaluation standards and continue negotiations until an agreement is reached or the list of firms is exhausted.

9. After the Board contracts with a firm, the firm shall bring to the Board for approval, detailed working drawings of the project.
  10. The Design Criteria Professional shall evaluate the compliance of the detailed working drawings and project construction with the Design Criteria Package and shall provide the Board with a report of the same.
- (3) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.
  - (4) Emergency Purchase. The Board may, in case of public emergency, declare an emergency and immediately proceed with negotiations with the best qualified Design-Build Firm available at the time. The fact that an Emergency Purchase has occurred shall be noted in the minutes of the next Board meeting.
  - (5) Exceptions. This Rule is inapplicable when:
    - (a) The project is undertaken as repair or maintenance of an existing public facility;
    - (b) The funding source of the project will be diminished or lost because the time required to competitively award the project after the funds become available exceeds the time within which the funding source must be spent;
    - (c) The District has competitively awarded a project and the contractor has abandoned the project or the District has terminated the contractor; or
    - (d) The District, after public notice, conducts a public meeting under Section 286.011 of the Florida Statutes, and finds by a majority vote of the Board that it is in the public's best interest to perform the project using its own services, employees, and equipment.

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

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

**Rule 3.7      Payment and Performance Bonds.**

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

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

**Law Implemented:** § 255.05, Fla. Stat.

**Rule 3.8 Goods, Supplies, and Materials.**

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

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

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

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

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

whose principal place of business is located in a foreign state which does not grant a preference in competitive purchase to businesses whose principal place of business are in that foreign state, the lowest Responsible and Responsive Bidder whose principal place of business is in the State of Florida shall be awarded a preference of five (5) percent. If the lowest Responsive Bid is submitted by a Responsive and Responsible Bidder whose principal place of business is located in a foreign state which grants a preference in competitive purchase to businesses whose principal place of business are in that foreign state, the lowest Responsible and Responsive Bidder whose principal place of business is in the State of Florida shall be awarded a preference equal to the preference granted by such foreign state.

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

- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is determined to be in the best interest of the District. No vendor shall be entitled to recover any costs of bid, proposal, reply, or response preparation or submittal from the District.
- (i) The Board may require bidders and proposers to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
- (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses shall be provided in writing to all proposers by e-mail (with a delivery and read receipt), United States Mail, hand delivery, or overnight delivery service. The District may alternatively post the notice of intent to award on its website at the conclusion of the Board meeting where the proposals were evaluated if so provided for in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's purchase of goods,

supplies, and materials under this Rule shall be in accordance with the procedures set forth in Rule 3.11.

- (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase goods, supplies, or materials, or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may proceed with the procurement of goods, supplies, and materials, in the manner the Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the goods, supplies, and materials without further competitive selection processes.
- (3) Goods, Supplies, and Materials included in a Construction Contract Awarded Pursuant to Rule 3.5 or 3.6. There may be occasions where the District has undergone the competitive purchase of construction services which contract may include the provision of goods, supplies, or materials. In that instance, the District may approve a change order to the contract and directly purchase the goods, supplies, and materials. Such purchase of goods, supplies, and materials deducted from a competitively purchased construction contract shall be exempt from this Rule.
- (4) Exemption. Goods, supplies, and materials that are only available from a single source are exempt from this Rule. Goods, supplies, and materials provided by governmental agencies are exempt from this Rule. A contract for goods, supplies, or materials is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process. This Rule shall not apply to the purchase of goods, supplies or materials that are purchased under a federal, state, or local government contract that has been competitively procured by such federal, state, or local government in a manner consistent with the material procurement requirements of these Rules.
- (5) Renewal. Contracts for the purchase of goods, supplies, and/or materials subject to this Rule may be renewed for a maximum contract period including renewals of eight (8) years.
- (6) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

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

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

**Rule 3.9 Maintenance Services.**

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

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

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

- (f) Bids, proposals, replies, and responses shall be publicly opened at the time and place noted on the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. Bids, proposals, replies, and responses shall be evaluated in accordance with the respective Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, and these Rules. Minor variations in the bids, proposals, replies, and responses may be waived by the Board. A variation is minor if waiver of the variation does not create a competitive advantage or disadvantage of a material nature. Mistakes in arithmetic extension of pricing may be corrected by the Board. Bids and proposals may not be modified or supplemented after opening; provided however, additional information may be requested and/or provided to evidence compliance, make non-material modifications, clarifications, or supplementations, and as otherwise permitted by Florida law.
- (g) The lowest Responsive Bid submitted in response to an Invitation to Bid by a Responsive and Responsible Bidder shall be accepted. In relation to a Request for Proposals, Invitation to Negotiate or Competitive Solicitation the Board shall select the Responsive Proposal, Reply, or Response submitted by a Responsive and Responsible Vendor which is most advantageous to the District. To assure full understanding of the responsiveness to the solicitation requirements contained in a Request for Proposals, Invitation to Negotiate, or Competitive Solicitation, discussions may be conducted with qualified vendors. Vendors shall be accorded fair treatment prior to the submittal date with respect to any opportunity for discussion, preparation, and revision of bids, proposals, replies, or responses.
- (h) The Board shall have the right to reject all bids, proposals, replies, or responses because they exceed the amount of funds budgeted for the purchase, if there are not enough to be competitive, or if rejection is

determined to be in the best interest of the District. No Vendor shall be entitled to recover any costs of bid, proposal, reply, or response preparation or submittal from the District.

- (i) The Board may require bidders and proposers to furnish bid bonds, performance bonds, and/or other bonds with a responsible surety to be approved by the Board.
  - (j) Notice of intent to award, including rejection of some or all bids, proposals, replies, or responses shall be provided in writing to all proposers by e-mail (with a delivery and read receipt), United States Mail, hand delivery, or overnight delivery service. The District may alternatively post the notice of intent to award on its website at the conclusion of the Board meeting where the proposals were evaluated if so provided for in the Invitation to Bid, Request for Proposals, Invitation to Negotiate, or Competitive Solicitation. The notice shall include the following statement: "Failure to file a protest within the time prescribed in Rule 3.11 of the Rules of the District shall constitute a waiver of proceedings under those Rules," or wording to that effect. Protests of the District's procurement of maintenance services under this Rule shall be in accordance with the procedures set forth in Rule 3.11.
  - (k) If less than three (3) Responsive Bids, Proposals, Replies, or Responses are received, the District may purchase the maintenance services or may reject the bids, proposals, replies, or responses for a lack of competitiveness. If no Responsive Bid, Proposal, Reply, or Response is received, the District may proceed with the procurement of maintenance services, in the manner the Board determines is in the best interests of the District, which may include but is not limited to a direct purchase of the maintenance services without further competitive selection processes.
- (3) Exemptions. Maintenance services that are only available from a single source are exempt from this Rule. Maintenance services provided by governmental agencies are exempt from this Rule. A contract for maintenance services is exempt from this Rule if state or federal law prescribes with whom the District must contract or if the rate of payment is established during the appropriation process.
- (4) Renewal. Contracts for the purchase of maintenance services subject to this Rule may be renewed for a maximum contract period including renewals of eight (8) years.
- (5) Contracts; Public Records. In accordance with Florida law, each contract entered into pursuant to this Rule shall include provisions required by law that require the contractor to comply with public records laws.

- (6) Emergency Purchases. The District may make an Emergency Purchase without complying with these rules. The fact that an Emergency Purchase has occurred or is necessary shall be noted in the minutes of the next Board meeting.

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

**Law Implemented:** §§ 119.0701, 190.033, 287.017, Fla. Stat.

**Rule 3.10 Contractual Services.**

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

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

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

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

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

(1)      Filing.

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

- (c) If the requirement for the posting of a protest bond and the amount of the protest bond, which may be expressed by a percentage of the contract to be awarded or a set amount, is disclosed in the District's competitive solicitation documents for a particular purchase under Rules 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.8, or 3.9, any person who files a notice of protest must post the protest bond. The amount and form of the protest bond shall be determined by District staff after consultation with the Board and within the limits, if any, imposed by Florida law. In the event the protest is successful, the protest bond shall be refunded to the protestor. In the event the protest is unsuccessful, the protest bond shall be applied towards the District's costs, expenses, and attorney's fees associated with hearing and defending the protest. In the event the protest is settled by mutual agreement of the parties, the protest bond shall be distributed as agreed to by the District and protestor.
  - (d) The District does not accept documents filed by e-mail or facsimile transmission. Filings are only accepted during normal business hours.
- (2) Contract Execution. Upon receipt of a notice of protest which has been timely filed, the District shall not execute the contract under protest until the subject of the protest is resolved. However, if the District sets forth in writing particular facts and circumstances showing that delay incident to protest proceedings will jeopardize the funding for the project, will materially increase the cost of the project, or will create an immediate and serious danger to the public health, safety, or welfare, the contract may be executed.
  - (3) Informal Proceeding. If the Board determines a protest does not involve a disputed issue of material fact, the Board may, but is not obligated to, schedule an informal proceeding to consider the protest. Such informal proceeding shall be at a time and place determined by the Board. Notice of such proceeding shall be sent via e-mail (with a delivery and read receipt), United States Mail, or hand delivery to the protestor and any substantially affected persons or parties not less than three (3) calendar days prior to such informal proceeding. Within thirty (30) calendar days following the informal proceeding, the Board shall issue a written decision setting forth the factual, legal, and policy grounds for its decision.
  - (4) Formal Proceeding. If the Board determines a protest involves disputed issues of material fact or if the Board elects not to use the informal proceeding process provided for in section (3) of this Rule, the District shall schedule a formal hearing to resolve the protest. The Chairperson shall designate any member of the Board (including the Chairperson), District Manager, District Counsel, or other person as a hearing officer to conduct the hearing. The hearing officer may:
    - (a) Administer oaths and affirmations;

- (b) Rule upon offers of proof and receive relevant evidence;
- (c) Regulate the course of the hearing, including any pre-hearing matters;
- (d) Enter orders; and
- (e) Make or receive offers of settlement, stipulation, and adjustment.

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

- (5) Rejection of all Qualifications, Bids, Proposals, Replies and Responses after Receipt of Notice of Protest. If the Board determines there was a violation of law, defect, or an irregularity in the competitive solicitation process, the Bids, Proposals, Replies, and Responses are too high, or if the Board determines it is otherwise in the District's best interest, the Board may reject all qualifications, bids, proposals, replies, and responses and start the competitive solicitation process anew. If the Board decides to reject all qualifications, bids, proposals, replies, and responses and start the competitive solicitation process anew, any pending protests shall automatically terminate.
- (6) Judicial Review. A party who is adversely affected by final District action is entitled to judicial review. Judicial review shall be sought in the county where the District is located. All proceedings shall be instituted by filing a notice of appeal or petition for review in accordance with the Florida Rules of Appellate Procedure within thirty (30) calendar days after the rendition of the decision being appealed. The filing of an appeal does not itself stay enforcement of the final District decision. Judicial review of any District action shall be confined to the record transmitted. The record for judicial review shall be compiled in accordance with the Florida Rules of Appellate Procedure. Failure to file a notice of appeal or petition for review within the time prescribed herein shall constitute a waiver of judicial review proceedings.
- (7) Intervenors. Other substantially affected persons may join the proceedings as intervenors on appropriate terms which shall not unduly delay the proceedings.

- (8) Settlement. Nothing herein shall preclude the settlement of any protest under this Rule at any time.

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

**Law Implemented:** §§ 120.69(2)(a), 190.033, Fla. Stat.

**Rule 4.0      Effective Date.**

These Rules shall be effective \_\_\_\_\_, 2026, except that no election of officers required by these Rules shall be required until after the next regular election for the Board.

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

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

Prepared by and return to:

Jere Earlywine, Esq.  
Kutak Rock LLP  
107 W College Avenue  
Tallahassee, Florida 32301

## SECOND AMENDED AND RESTATED DISTRICT INTERLOCAL AGREEMENT

**THIS SECOND AMENDED AND RESTATED DISTRICT INTERLOCAL AGREEMENT (“Agreement”)** is entered into this \_\_\_\_ day of \_\_\_\_\_, 2026 (“**Effective Date**”), by and among the **VERANO CENTER COMMUNITY DEVELOPMENT DISTRICT (“Center District”)**, the **VERANO #1 COMMUNITY DEVELOPMENT DISTRICT (“District #1”)**, the **VERANO #2 COMMUNITY DEVELOPMENT DISTRICT (“District #2”)**, the **VERANO #3 COMMUNITY DEVELOPMENT DISTRICT (“District #3”)**, the **VERANO #4 COMMUNITY DEVELOPMENT DISTRICT (“District #4”)**, and the **VERANO #5 COMMUNITY DEVELOPMENT DISTRICT (“District #5”)**, each a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located in St. Lucie County, Florida. Center District, District #1, District #2, District #3, District #4, and District #5 may be each be referred to as a “**District**” or collectively as the “**Districts.**”

### WITNESSETH:

**WHEREAS**, each of the Districts was established pursuant Chapter 190, *Florida Statutes* for the purposes of planning, financing, constructing, operating and/or maintaining certain infrastructure benefitting the lands within its respective boundaries, including infrastructure to provide stormwater management and other master improvements that benefit the Districts; and

**WHEREAS**, the lands within the boundaries of the Districts are contiguous or in close proximity to each other and are being developed as the project known as “**Verano;**” and

**WHEREAS**, the Districts previously entered into that certain *Amended and Restated District Interlocal Agreement* dated April 9, 2015 (as amended from time to time, “**Verano Interlocal**”), which authorizes District #5 to, among other things, administer the operation and maintenance of various capital improvements on behalf of the Districts and with respect to Verano; and

**WHEREAS**, the Districts and the City of Port St. Lucie are parties to that certain *Second Amended and Restated Interlocal Agreement to Provide Maintenance of the Stormwater Management System for the Verano Community Development Districts* dated May 22, 2023, and recorded in Official Records Book 4999, Pages 2064 et seq. of the Public Records of St. Lucie County, Florida (“**City Agreement**”), as may be amended from time to time, which City Agreement remains in full force and effect; and

**WHEREAS**, pursuant to the Verano Interlocal, and the City Agreement, the Districts delegated to District #5, among other things, the power and authority to act on behalf of the Districts to maintain the stormwater management system for Verano (“**Stormwater System**”); and

**WHEREAS**, the City Agreement further authorizes District #5 to receive on behalf of all of the Districts the City’s stormwater rebates (“**Stormwater Rebates**”) for use in taking care of the Stormwater System; and

**WHEREAS**, the Florida Interlocal Cooperation Act of 1969, Section 163.01, Florida Statutes, permits local governmental units to make the most efficient use of their respective powers by enabling them to cooperate with one another on a basis of mutual advantage and thereby to provide services and facilities in a manner and

pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities; and

**WHEREAS**, as the development of Verano has progressed, the Districts now desire to revise the Verano Interlocal in order to clarify the terms of the Verano Interlocal and further to allow each District to manage its individual neighborhood improvements, but to authorize District #5 to continue to operate and maintain all “master” improvements such as the Stormwater System, as well as certain “**Additional Master Improvements**” (together with the Stormwater System, “**Master Improvements**”), as described more fully in **Exhibit A**;

**NOW, THEREFORE**, in consideration of the mutual understandings and covenants set forth herein, and other good and valuable consideration, the receipt of sufficiency of which are hereby acknowledged, each District agrees as follows:

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

SECTION 2. PURPOSE; LIMITED SCOPE. This Agreement is entered into for the limited purpose of coordinating the ownership, operation, maintenance, repair, replacement, and administration of the Master Improvements. This Agreement supersedes and replaces in the entirety Verano Interlocal. This Agreement is not intended to, and does not, amend the City Agreement.

SECTION 3. LIMITED DESIGNATION OF DISTRICT #5 AS ADMINISTRATIVE DISTRICT. The Districts designate District #5 as the “**Administrative District**” for purposes of administration and coordination of the Master Improvements under this Agreement. The Districts expressly delegate to the Administrative District all authority and responsibility to execute, on behalf of any individual or all Districts, documents reasonable and necessary to effectuate the satisfaction or release of certain liens, assessments, contracts, license agreements, permits, insurance claims, or other encumbrances held, imposed, recorded, or entered into by any or all of the Districts upon or with respect to real property or the Verano development prior to the Effective Date and otherwise necessary to fulfill the terms of prior versions of the Interlocal Agreement among the Districts, as amended and restated by this Agreement. The Administrative District may execute any such document without requiring the joinder, consent, or signature of any other District, and each District hereby appoints the Administrative District as its attorney-in-fact for such limited purposes. The Administrative District shall provide written notice to the affected District(s) before executing any such document on its behalf. Any costs, liabilities, or expenses arising from the wind-down or resolution of such pre-existing matters shall be allocated among the Districts as Proportionate Shares unless otherwise agreed in writing. The authority granted under this Section shall survive the termination or expiration of this Agreement until all such pre-existing matters have been fully resolved.

SECTION 4. STORMWATER SYSTEM. Consistent with the terms of the City Agreement, District #5, as the Administrative District, shall have the following authority, responsibilities, rights, and obligations:

- a. Serve as the point of contact among the Districts for all matters relating to the Stormwater System, including but not limited to maintenance, operation, repair and replacement of the Stormwater System; and
- b. Coordinate with the City of Port St. Lucie (the “**City**”) regarding the City Agreement; and
- c. Receive Stormwater Rebates or similar payments under the City Agreement and administer distribution as provided in this Agreement; and

- d. Request and receive from each District reasonable documentation evidencing maintenance activities and compliance with stormwater-related permit requirements; and
- e. Provide notices and administer the self-help process set forth in this Agreement; and
- f. Otherwise carry out the purpose and intent of this Agreement and the City Agreement; and
- g. Maintaining swales, conveyance channels, and waterways to ensure proper functioning of the stormwater management system in accordance with the design criteria set forth within all South Florida Water Management District surface water management permits applicable to the Stormwater System ("**Permits**"); and
- h. Maintaining berms and drainage divides to assure structural integrity; and
- i. Operating and maintaining stormwater control structures in accordance with the Permits, including managing allowable discharges from, and the storage of stormwater within, the Stormwater System; and
- j. Analyzing and reporting water quality sampling as required by the Permits; and
- k. Managing wetlands and preserve areas for water quality enhancement purposes in accordance with the Permits; and
- l. Complying with all water quality standards imposed by all applicable governmental bodies, agencies, and special districts having authority within the boundaries of the Districts; and
- m. Providing for the storage and conveyance of stormwater through the Stormwater System in accordance with the Permits; and
- n. Maintaining the Designated Crosstown Stormwater Components located within the pathway generally depicted in the attached Exhibit A to the City Agreement, including those drainage pipes and related structures and facilities (A) lying within easements dedicated or to be dedicated to District #5 north of the Crosstown Parkway right-of-way, and (B) those facilities lying within the drainage easement as described in the sketch and legal description provided in Exhibit B to the City Agreement upon a portion of the Crosstown Parkway right-of-way, but not including maintenance of any other portion of the Crosstown Parkway drainage system; and
- o. Otherwise taking all actions reasonably necessary to maintain, operate, repair and replace the Stormwater System consistent with the Permits, the City Agreement, and all applicable laws and approvals.

SECTION 5. ADDITIONAL MASTER IMPROVEMENTS. The Administrative District, shall have the following authority and responsibilities with respect to the Additional Master Improvements:

- a. Serve as the point of contact among the Districts for all matters relating to the Additional Master Improvements, including but not limited to maintenance, operation, repair, replacement, and administrative matters; and

- b. Operate, maintain, repair and replace the Additional Master Improvements, consistent with the terms of this Agreement; and
- c. Comply with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and approvals applicable to the Additional Master Improvements; and
- d. Invoice and collect from each District its proportionate share of costs related to the Additional Master Improvements in accordance with this Agreement; and
- e. Request and receive from each District reasonable documentation evidencing maintenance activities and compliance with applicable permit requirements related to the Additional Master Improvements; and
- f. Perform all administrative functions related to the foregoing, including but not limited to procurement of contractors and service providers, oversight of work, and recordkeeping;
- g. Provide notices and administer the self-help process set forth in this Agreement with respect to the Additional Master Improvements; and
- h. Otherwise carry out the purpose and intent of this Agreement with respect to the Additional Master Improvements.

SECTION 6. MAINTENANCE STANDARDS. All maintenance performed under this Agreement, whether by District #5 or by any other District electing to maintain its In-District Stormwater Facilities as authorized herein, shall be performed in accordance with (a) applicable industry standards, (b) all applicable federal, state, and local laws, rules, regulations, and ordinances, (c) all conditions and requirements set forth in the Permits and any other governmental permits, approvals, and authorizations, and (d) with respect to the Stormwater System, the terms and conditions of the City Agreement. Without limiting the foregoing: (i) the Stormwater System shall be maintained to preserve its designed hydraulic capacity and water quality function, including regular clearing of swales and channels, semi-annual removal of debris from control structures, annual inspection of all structures and appurtenances, and all permit-required sampling and reporting; (ii) the Additional Master Improvements shall be maintained in a neat, safe, and attractive condition, including regular mowing, pruning, replacement of dead or diseased plant material, and upkeep of irrigation; (iii) the Administrative District shall conduct annual inspections of the Master Improvements and retain written maintenance records for at least five (5) years, or for such other period as may be required by law, available to any District upon request; and (iv) upon identification of any material deficiency, the responsible District shall initiate corrective action within a reasonable period of time, or immediately in the case of emergency, and shall diligently pursue completion.

SECTION 7. FUNDING; STORMWATER REBATES; MAJOR CAPITAL EXPENDITURES. The Administrative District shall have the authority to invoice and collect from each District its proportionate share of the costs incurred by the Administrative District in performing its duties with respect to the Master Improvements under this Agreement, including but not limited to operation, maintenance, repair, replacement, and administrative costs. Such amounts shall be allocated to each of the Districts using an equivalent assessment unit methodology based on platted and developed lots, and as authorized under Chapter 190, *Florida Statutes*, and other applicable Florida law during the Districts' normal budget cycle.

**Budget Process** - No later than ninety (90) days before the commencement of each fiscal year, the Administrative District shall distribute to all Districts a proposed budget for the costs to be allocated under this Agreement. Each District shall have thirty (30) days following receipt to provide written comments on the

proposed budget. The Administrative District shall consider such comments in good faith but shall retain final authority to adopt a budget that it reasonably determines is necessary to maintain the Master Improvements in compliance with applicable law, the City Agreement, and all applicable permits. The Administrative District shall provide each District with an itemized invoice or assessment statement detailing the costs being allocated and the calculation of each District's proportionate share of the Master Improvements (individually, a "**Proportionate Share**", or collectively, "**Proportionate Shares**"). Each District shall pay its Proportionate Shares within thirty (30) days of receipt of an invoice or assessment from the Administrative District . Failure to pay within such period shall result in interest accruing at the rate of twelve percent per annum or the maximum rate permitted by Florida law, whichever is less.

**Large Capital Repairs** - For any single capital repair, replacement, or improvement to the Master Improvements with an estimated cost exceeding applicable bid thresholds set forth in Section 190.033, *Florida Statutes*, and not otherwise included in the budget process described above, the Administrative District shall provide all Districts at least forty-five (45) days' advance written notice, including a description of the proposed work, estimated cost, and proposed cost allocation. Each District shall have thirty (30) days to provide written input, which the Administrative District shall consider in good faith. The Administrative District retains final authority to proceed with work it reasonably determines is necessary to maintain regulatory compliance, satisfy applicable permit requirements, or prevent imminent harm. Routine maintenance and emergency repairs are not subject to this requirement.

**Stormwater Rebates** - Pursuant to the City Agreement, District #5 will continue to receive the Stormwater Rebates for the Stormwater System from the City and on behalf of the Districts, and shall use the Stormwater Rebates for the maintenance, operation, repair and replacement of the Stormwater System. Notwithstanding the foregoing, if any District elects pursuant to this Agreement to self-perform the operation, maintenance, repair, and replacement of its In-District Stormwater Facilities, District #5 shall remit to such District that District's actual costs of maintenance of the In-District Stormwater Facilities not to exceed its Proportionate Share of the Stormwater System following notification of the self-performing District's election to self-perform maintenance of the In-District Stormwater Facilities and District #5's receipt of the Stormwater Rebates from the City (the "**System Rebate**"). District #5 shall remit such System Rebate within thirty (30) days of receipt of the Stormwater Rebates from the City or notice of the self-performing District's election, whichever is later, accompanied by documentation showing the calculation of the System Rebate.

**SECTION 8. ACCESS RIGHTS; PERMITS AND APPROVALS; TRANSFER OF MASTER IMPROVEMENTS.**  
Each District hereby grants to District #5, as Administrative District, a non-exclusive right of entry and access across its boundaries as reasonably necessary for District #5 to perform its maintenance, repair, replacement, and administrative obligations under this Agreement. District #5 shall provide reasonable advance notice before accessing a District's boundaries, except in cases of emergency. District #5, as the Administrative District, shall obtain and maintain in good standing all governmental permits, approvals, and authorizations applicable to the Master Improvements (collectively, "**Master Improvement Permits**"). Each District shall promptly notify District #5 of any permit violation, regulatory inquiry, or threatened permit revocation affecting the Master Improvements of which it becomes aware. Each District shall cooperate fully with District #5 in connection with the Master Improvement Permits, including (a) executing any documents reasonably requested by District #5 or applicable regulatory authorities, (b) providing access to its boundaries and In-District Stormwater Facilities as reasonably necessary for District #5 to fulfill its permitting obligations, (c) refraining from any action that would cause or contribute to a violation of any Master Improvement Permit, and (d) taking all actions within its authority reasonably necessary to support District #5's ability to obtain, renew, modify, or comply with any Master Improvement Permit. To the extent District #5 is required to act as agent or responsible party under any permit applicable to a District's In-District Stormwater Facilities in order to perform its obligations hereunder, each

District hereby authorizes District #5 to so act and shall cooperate fully with District #5 in connection therewith. Additionally, each district shall, upon request of the Administrative District, promptly execute and deliver any deeds, assignments, bills of sale, easements, or other instruments reasonably necessary to convey, assign, or confirm ownership in, and/or authorize the operation, maintenance, repair and/or replacement of the Master Improvements by, the Administrative District, and shall cooperate in obtaining any third-party consents or governmental approvals required in connection therewith.

**SECTION 9. DISTRICT ELECTION FOR MAINTENANCE OF IN-DISTRICT STORMWATER SYSTEM.** Notwithstanding Section 4, each District shall have the right in its sole discretion to elect, at its cost and expense, to provide for the operation, maintenance, repair, and replacement of that portion of the Stormwater System that is located within its respective boundaries (the "**In-District Stormwater Facilities**"), including associated appurtenances, easements, control structures, and related improvements, except as otherwise expressly provided in this Agreement. To the extent any component of the Stormwater System serves more than one District or is physically interconnected such that maintenance activities may affect flows or performance beyond a single District's boundaries, the District performing work within its boundaries shall coordinate scheduling and methods with the affected Districts to minimize adverse impacts and maintain regulatory compliance. In the event any District elects to maintain its In-District Stormwater Facilities but fails to do so (a "**Non-Compliant District**") in accordance with this Agreement, the Administrative District shall have the right and obligation to conduct maintenance activities and be reimbursed for the actual and reasonable expenses incurred by the Administrative District from the Non-Compliant District. The Administrative District shall provide written notice to the Non-Compliant District at least thirty (30) days prior to commencing self-help maintenance, except in cases of emergency where immediate action is necessary to prevent imminent harm to persons or property or to maintain regulatory compliance. The Non-Compliant District shall reimburse the Administrative District within thirty (30) days of receipt of an itemized invoice with supporting documentation. If the Non-Compliant District disputes the charges, it shall notify the Administrative District in writing within fifteen (15) days of receipt of the invoice, and the parties shall meet and confer in good faith to resolve the dispute within thirty (30) days. All notices required under this Section 9 shall be provided in accordance with the procedures set forth in the Notice section of this Agreement. Any District electing to self-perform maintenance of its In-District Stormwater Facilities pursuant to this Section 9 shall provide written notice of such election to the Administrative District no later than ninety (90) days prior to the commencement of the fiscal year in which the election is to take effect. Such election shall become effective at the start of the next fiscal year following the required notice period. Mid-year elections shall not be permitted except upon the prior written consent of the Administrative District, which consent shall not be unreasonably withheld.

**SECTION 10. DISPUTE RESOLUTION.** This Section governs the resolution of all disputes arising under or relating to this Agreement, including disputes regarding cost allocation, invoicing, assessments, and the performance of obligations hereunder. The Administrative District retains final authority over all operational and maintenance decisions relating to the Master Improvements, provided such decisions are made in good faith and in accordance with this Agreement. This dispute process applies solely to cost allocation and invoicing disputes and shall not be construed to give any District the right to direct, delay, or interfere with maintenance operations, or to withhold payment of undisputed amounts.

A disputing District shall deliver written notice to the Administrative District within fifteen (15) days of receipt of the invoice or assessment giving rise to the dispute, describing the basis for the dispute in reasonable detail. Each District shall pay the undisputed portion of any invoice or assessment pending resolution; failure to do so shall not be excused by the pendency of a dispute. **Step 1 - Meet and Confer.** Within thirty (30) days of the dispute notice, the District Managers of the disputing District and the Administrative District shall meet and confer in good faith to attempt resolution. **Step 2 - Board Escalation.** If unresolved at the District Manager level, either

party may escalate the dispute to the respective Boards of Supervisors, who shall meet within thirty (30) days to attempt resolution in good faith. **Step 3 - Expert Determination.** If the dispute remains unresolved following Board escalation, either party may submit the dispute to a mutually agreed independent expert with relevant experience in community development district finance or stormwater engineering, as appropriate to the nature of the dispute (the "**Expert**").

If the parties cannot agree on an Expert within fifteen (15) days of a written request for expert determination, either party may request appointment of an Expert by the American Arbitration Association. The Expert shall render a written determination within forty-five (45) days of appointment. Such determination shall be final and binding on all parties and may be enforced as a judgment in any court of competent jurisdiction. Costs of the Expert shall be shared equally by the disputing parties, except that if the Expert's determination is substantially in favor of one party, the Expert may assess costs against the non-prevailing party. Expert determination shall be the exclusive remedy for cost allocation and invoicing disputes under this Agreement, and no District may initiate formal legal proceedings with respect to such disputes except to enforce an Expert determination.

SECTION 11. TERM; TERMINATION. This Agreement shall be effective as of the Effective Date and shall continue through September 30 of the fifth (5th) full fiscal year following the Effective Date (the "**Initial Term**"), aligned with the Community Development District fiscal year ending September 30. Following the Initial Term, this Agreement shall automatically renew for successive one (1) year terms (each October 1 through September 30), unless any District provides written notice of non-renewal to all other Districts no later than September 30 of the fiscal year immediately preceding the Renewal Term (i.e., at least one (1) full fiscal year's advance written notice). No individual District may unilaterally withdraw from or terminate this Agreement except as provided in this Section. Upon notice of non-renewal or agreement to terminate (the "**Termination Date**"), the following shall apply:

- (a) **Transition Period.** The Administrative District shall continue performing all Administrative District obligations for at least twelve (12) months following the Termination Date, at the Districts' Proportionate Shares, unless all Districts agree in writing to a shorter period and applicable regulatory authorities confirm no lapse in permit coverage will result.
- (b) **Successor Administrator.** No later than six (6) months prior to the Termination Date, the Districts shall designate a successor administrative entity or reallocate Administrative District responsibilities ("**Successor Administrator**"). Termination shall not become effective until a Successor Administrator has assumed all obligations of District #5 under the City Agreement and all Master Improvement Permits. If no Successor Administrator is designated, District #5 shall continue to serve and this Agreement shall remain in effect.
- (c) **City Agreement; Permits.** The City Agreement is not terminated by the termination of this Agreement, and no termination shall relieve any District of its obligations thereunder. Prior to the Termination Date, the Districts shall cooperate to transfer or novate District #5's obligations under the City Agreement to the Successor Administrator and to obtain all regulatory consents necessary to transfer the Master Improvement Permits without lapse. District #5 shall have no obligation to transfer operational responsibility for any Master Improvement until all required permit transfers are complete. Costs of permit transfers shall be allocated as Proportionate Shares.
- (d) **Wind-Down and Records Transfer.** Within thirty (30) days of the Termination Date, the Administrative District shall provide an inventory of all active vendor contracts related to the Master

Improvements. The Districts shall cooperate to assign, novate, or wind down such contracts no later than the conclusion of the Transition Period, with early termination costs allocated as Proportionate Shares; any dispute regarding such cost allocation shall be resolved in accordance with Section 10. All accrued payment obligations, indemnification obligations, records retention obligations, and permit cooperation obligations shall survive termination. Upon conclusion of the Transition Period, the Administrative District shall deliver to the Successor Administrator all records relating to the Master Improvements in its possession or control.

SECTION 12. RECORDING. Promptly following execution of this Agreement by all parties, District #5, as the Administrative District, shall cause this Agreement to be filed with the Clerk of the Circuit Court of St. Lucie County, Florida, in accordance with Section 163.01(11), Florida Statutes. The Administrative District shall bear the initial cost of recording, which cost shall be included as an administrative cost subject to allocation among the Districts in accordance with the Funding section of this Agreement. Each party shall cooperate and execute any additional instruments reasonably necessary to effectuate recording.

SECTION 13. INDEMNIFICATION. To the extent permitted by law, but without waiving its limitations on liability set forth in Section 768.28, *Florida Statutes*, each District shall indemnify, defend, save, and hold harmless the other Districts, and their elected officers, agents, servants, representatives, and employees, from and against any and all claims, demands, suits, losses, and liabilities of any nature whatsoever, including but not limited to reasonable attorney’s fees and other litigation expenses, arising out of, because of, or due to any misconduct, negligent act, error, or omission of the indemnifying District, its elected officers, agents, servants, representatives, or employees, in the performance of this Agreement. Each District shall provide written notice to the other Districts of any claim subject to indemnification within ten (10) business days of receiving notice of such claim.

SECTION 14. SOVEREIGN IMMUNITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of any 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 law. 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.

SECTION 15. GOVERNING LAW. This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida. All actions and disputes shall be brought in the proper court and venue, which shall be St. Lucie County, Florida.

SECTION 16. NOTICE. All notices, requests, consents and other communications under this Agreement (“Notice” or “Notices”) shall be in writing and shall be deemed given when (a) hand delivered, (b) three (3) business days after being mailed by First Class Mail, postage prepaid, or (c) one (1) business day after being sent by overnight delivery service with confirmation of delivery, to each District, as follows:

To a District:	Verano 1 CDD c/o Governmental Management Services 5385 N. Nob Hill Road Sunrise, Florida 33351 Attn: District Manager
	Verano 2 CDD c/o Governmental Management Services 5385 N. Nob Hill Road

	Sunrise, Florida 33351 Attn: District Manager
	Verano 3 CDD c/o Governmental Management Services 5385 N. Nob Hill Road Sunrise, Florida 33351 Attn: District Manager
	Verano 4 CDD c/o Governmental Management Services 5385 N. Nob Hill Road Sunrise, Florida 33351 Attn: District Manager
	Verano 5 CDD c/o Governmental Management Services 5385 N. Nob Hill Road Sunrise, Florida 33351 Attn: District Manager
	Verano Center CDD c/o Governmental Management Services 5385 N. Nob Hill Road Sunrise, Florida 33351 Attn: District Manager
With a copy to (for each District):	Kutak Rock LLP 107 West College Avenue Tallahassee, Florida 32301 Attn: District Counsel

SECTION 17. SEVERABILITY. If any word, phrase, sentence, part, section, subsection, or other provision of this Agreement, or its application to any person, entity, or circumstances is specifically held to be unconstitutional, invalid, or unenforceable for any reason by a court of competent jurisdiction, then such word, phrase, sentence, part, section, subsection, or other or the proscribed application thereof, shall be severable, and the remainder of this Agreement and the application of the provisions hereof to the other persons, entities, or circumstances shall not be affected thereby and, to that end, this Agreement shall continue to be enforced to the greatest extent possible consistent with law and the public interest including, but not limited to, the expenditure of public funds for lawful purposes.

SECTION 18. ENTIRE AGREEMENT, AMENDMENTS. This Agreement constitutes the entire agreement of the Districts with respect to the subject matter hereof. The provisions, restrictions and covenants of this Agreement shall not be modified or amended except in written instrument executed and acknowledged by duly authorized representatives of each District.

SECTION 19. ASSIGNMENT. This Agreement may not be assigned, transferred, or conveyed by any District without prior written consent from all other Districts, except that any District may allow or require other entities to contribute to the cost of its obligations hereunder.

SECTION 20. COUNTERPARTS. This Agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be an original, but all counterparts shall

together constitute one and the same instrument. This Agreement may be executed by PDF or by using an e-signature or digital transaction management platform such as DocuSign® with the same force and effect as original signatures.

*[Signature pages to follow]*

DRAFT

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed the day and year first above written.

**WITNESS #1**

**VERANO CENTER COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

**WITNESS #2**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Sworn to (or affirmed) and subscribed before me by means of  physical presence or  online notarization, this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by \_\_\_\_\_, as Chair/Vice Chair of the Verano Center Community Development District, who is personally known to me or has produced \_\_\_\_\_ as identification.

(NOTARY SEAL)

\_\_\_\_\_  
Signature of Notary Public  
Printed Name of Notary: \_\_\_\_\_  
Commission Number: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

**WITNESS #1**

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

**WITNESS #2**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Sworn to (or affirmed) and subscribed before me by means of  physical presence or  online notarization, this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by \_\_\_\_\_, as Chair/Vice Chair of the Verano #1 Community Development District, who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Signature of Notary Public  
Printed Name of Notary: \_\_\_\_\_  
Commission Number: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

(NOTARY SEAL)

**WITNESS #1**

**VERANO #2 COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

**WITNESS #2**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Sworn to (or affirmed) and subscribed before me by means of  physical presence or  online notarization, this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by \_\_\_\_\_, as Chair/Vice Chair of the Verano #2 Community Development District, who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Signature of Notary Public  
Printed Name of Notary: \_\_\_\_\_  
Commission Number: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

(NOTARY SEAL)

**WITNESS #1**

**VERANO #3 COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

**WITNESS #2**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Sworn to (or affirmed) and subscribed before me by means of  physical presence or  online notarization, this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by \_\_\_\_\_, as Chair/Vice Chair of the Verano #1 Community Development District, who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Signature of Notary Public  
Printed Name of Notary: \_\_\_\_\_  
Commission Number: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

(NOTARY SEAL)

**WITNESS #1**

**VERANO #4 COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

**WITNESS #2**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Sworn to (or affirmed) and subscribed before me by means of  physical presence or  online notarization, this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by \_\_\_\_\_, as Chair/Vice Chair of the Verano #1 Community Development District, who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Signature of Notary Public  
Printed Name of Notary: \_\_\_\_\_  
Commission Number: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

(NOTARY SEAL)

**WITNESS #1**

**VERANO #5 COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

**WITNESS #2**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Sworn to (or affirmed) and subscribed before me by means of  physical presence or  online notarization, this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by \_\_\_\_\_, as Chair/Vice Chair of the Verano #1 Community Development District, who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Signature of Notary Public  
Printed Name of Notary: \_\_\_\_\_  
Commission Number: \_\_\_\_\_  
Commission Expiration: \_\_\_\_\_

(NOTARY SEAL)

EXHIBIT A  
[TO COME]

Master Stormwater System

Shared Spine Road

DRAFT

## RETENTION AND FEE AGREEMENT

### I. PARTIES

THIS RETENTION AND FEE AGREEMENT (“**Agreement**”) is made and entered into by and between the following parties:

A. Verano 1 CDD (“**Client**”)  
c/o Governmental Management Services  
5385 N. Nob Hill Road  
Sunrise, FL 33351

and

B. Kutak Rock LLP (“**Kutak Rock**”)  
107 West College Avenue  
Tallahassee, Florida 32301

### II. SCOPE OF SERVICES

In consideration of the mutual undertakings and agreements contained herein, the parties agree as follows:

- A. The Client agrees to employ and retain Kutak Rock as its attorney and legal representative for general advice, counseling and representation of Client and its Board of Supervisors.
- B. Kutak Rock accepts such employment and agrees to serve as attorney for and provide legal representation to the Client in connection with those matters referenced above. No other legal representation is contemplated by this Agreement. Any additional legal services to be provided under the terms of this Agreement shall be agreed to by Client and Kutak Rock in writing. Unless set forth in a separate agreement to which Client consents in writing, Kutak Rock does not represent individual members of the Client’s Board of Supervisors

### III. CLIENT FILES

The files and work product materials (“**Client File**”) of the Client generated or received by Kutak Rock will be maintained confidentially to the extent permitted by law and in accordance with the Florida Bar rules. At the conclusion of the representation, the Client File will be stored by Kutak Rock for a minimum of five (5) years. After the five (5) year storage period, the Client hereby acknowledges and consents that Kutak Rock may confidentially destroy or shred the Client File. Notwithstanding the prior sentence, if the Client provides Kutak Rock with a written request for the return of the Client File before the end of the five (5) year storage period, then Kutak Rock will return the Client File at Client’s expense.

**IV. FEES**

- A. The Client agrees to compensate Kutak Rock for services rendered in connection with any matters covered by this Agreement on an hourly rate basis plus actual expenses incurred by Kutak Rock in accordance with the attached Expense Reimbursement Policy (Attachment A, incorporated herein by reference). Time will be billed in increments of one-tenth (1/10) of an hour. Certain work related to issuance of bonds and bond anticipation notes may be performed under a flat fee to be separately established prior to or at the time of bond or note issuance.
- B. Attorneys and staff, if applicable, who perform work for Client will be billed at their regular hourly rates, as may be adjusted from time to time. The hourly rates of those initially expected to handle the bulk of Client's work are as follows:

Jere L. Earlywine	\$360
Associates	\$265-\$305
Contract Attorney	\$260-285
Paralegals	\$185-220

Kutak Rock's regular hourly billing rates are reevaluated annually and are subject to change not more than once in a calendar year. Client agrees to Kutak Rock's annual rate increases to the extent hourly rates are not increased beyond \$15/hour per year.

- C. To the extent practicable and consistent with the requirements of sound legal representation, Kutak Rock will attempt to reduce Client's bills by assigning each task to the person best able to perform it at the lowest rate, so long as he or she has the requisite knowledge and experience.
- D. Upon consent of Client, Kutak Rock may subcontract for legal services in the event that Client requires legal services for which Kutak Rock does not have adequate capabilities.
- E. Kutak Rock will include costs and expenses (including interest charges on past due statements) on its billing statements for Client reimbursement in accordance with the attached Expense Reimbursement Policy.

**V. BILLING AND PAYMENT**

The Client agrees to pay Kutak Rock's monthly billings for fees and expenses incurred within thirty (30) days following receipt of an invoice, or the time permitted by Florida law, whichever is greater. Kutak Rock shall not be obligated to perform further legal services under this Agreement if any such billing statement remains unpaid longer than thirty (30) days after submittal to and receipt by Client. Non-payment of billing statements shall be a basis for Kutak Rock to immediately withdraw from the representation without regard to remaining actions necessitating attention by Kutak Rock as part of the representation.

## **VI. DEFAULT; VENUE**

In any legal proceeding to collect outstanding balances due under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to costs and outstanding balances due under this Agreement. Venue of any such action shall be exclusive in the state courts of the Second Judicial Circuit in and for Leon County, Florida.

## **VII. CONFLICTS**

It is important to disclose that Kutak Rock represents a number of special districts, trustees ("Trustees"), bondholders, developers, builders, and other entities throughout Florida and the United States of America relating to community development districts, special districts, local governments and land development. Kutak Rock or its attorneys may also have represented the entity which petitioned for the formation of the Client. Kutak Rock understands that Client may enter into an agreement with a Trustee in connection with the issuance of bonds, and that Client may request that Kutak Rock simultaneously represent Client in connection with the issuance of bonds, while Kutak Rock is also representing such Trustee on unrelated matters. By accepting this Agreement Client agrees that (1) Client was provided with an explanation of the implications of the common representation(s) and the advantages and risks involved; (2) Kutak Rock will be able to provide competent and diligent representation of Client, regardless of Kutak Rock's other representations, and (3) there is not a substantial risk that Kutak Rock's representation of Client would be materially limited by Kutak Rock's responsibilities to another client, a former client or a third person or by a personal interest. Acceptance of this Agreement will constitute Client's waiver of any "conflict" with Kutak Rock's representation of various special districts, Trustees, bondholders, developers, builders, and other entities relating to community development districts, special districts, local governments and land development.

## **VIII. ACKNOWLEDGMENT**

Client acknowledges that the Kutak Rock cannot make any promises to Client as to the outcome of any legal dispute or guarantee that Client will prevail in any legal dispute.

## **IX. TERMINATION**

Either party may terminate this Agreement upon providing prior written notice to the other party at its regular place of business. All fees due and payable in accordance with this Agreement shall accrue and become payable pursuant to the terms of this Agreement through the date of termination.

## **X. EXECUTION OF AGREEMENT**

This Agreement shall be deemed fully executed upon its signing by Kutak Rock and the Client. The contract formed between Kutak Rock and the Client shall be the operational contract between the parties.

**XI. ENTIRE CONTRACT**

This Agreement constitutes the entire agreement between the parties.

Accepted and Agreed to:

**VERANO 1 CDD**

DocuSigned by:  
By: Max Krupo  
1E7805E125E3425...

Date: 2025-09-26

**KUTAK ROCK LLP**

By: Jere L. Earlywine  
Jere L. Earlywine

Date: August 13, 2025

**ATTACHMENT A**

**KUTAK ROCK LLP  
EXPENSE REIMBURSEMENT POLICY**

The following is Kutak Rock's standard expense reimbursement policy. This policy applies unless a different arrangement has been negotiated based on the unique circumstances of a particular client or matter.

All expenses are billed monthly. Billings ordinarily reflect expenses for the most recent month, except where there are delays in receiving bills from third party vendors.

Photocopying and Printing. In-house photocopying and printing are charged at \$0.25 per page (black & white) and \$0.50 per page (color). Outside copying is billed as a pass-through of the outside vendor's charges.

Postage. Postage is billed at actual cost.

Overnight Delivery. Overnight delivery is billed at actual cost.

Local Messenger Service. Local messenger service is billed at the IRS approved reimbursement rate.

Computerized Legal Research. Charges for computerized legal research are billed at an amount approximating actual cost.

Travel. Travel (including air fare, rental cars, taxicabs, hotel, meals, tips, etc.) is billed at actual cost. Where air travel is required, coach class is used wherever feasible. Out-of-town mileage is billed at the IRS approved reimbursement rate. Reasonable travel-related expenses for meals, lodging, gratuities, taxi fares, tolls, and parking fees shall also be reimbursed.

Consultants. Unless prior arrangements are made, consultants are ordinarily employed directly by the client. Where consulting or testifying experts are employed by the firm, their charges are passed through with no mark-up. The client is responsible for notifying the firm of any particular billing arrangements or procedures which the client requires of the consulting or testifying experts.

Other Expenses. Other outside expenses, such as court reporters, agency copies, conference calls, etc. are billed at actual cost.

**ADDENDUM TO LAKE MAINTENANCE AGREEMENT**

**THIS ADDENDUM TO LAKE MAINTENANCE AGREEMENT (“Addendum”)** is made to be effective as of November 1, 2025, and is by and between:

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and whose mailing address is 5385 N. Nob Hill Road, Sunrise, Florida 33351 (“**District**”), and

**SOLITUDE LAKE MANAGEMENT, LLC**, a Virginia Limited Liability Company, with a mailing address of 1320 Brookwood Dr, Suite H, Little Rock Arkansas 72202 (“**Contractor**”).

**RECITALS**

**WHEREAS**, the District and Contractor entered into that certain *Agreement Between the Verano #1 Community Development District and Solitude Lake Management, LLC for Lake Maintenance Services*, dated September 1, 2023 (“**Agreement**”); and

**WHEREAS**, Section 2(B) of the Agreement provides that the Agreement may be renewed for three (3) additional one (1) year terms, “upon the mutual consent of the parties via an addendum to this Agreement;” and

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

**1. RECITALS.** The recitals stated above are true and correct and by this reference are incorporated herein and form a material part of this Addendum.

**2. RENEWAL.** The Agreement is hereby affirmed and continues to constitute a valid and binding agreement between the parties for the District’s Fiscal Year beginning November 1, 2025 and through October 31, 2026. Except as described in this Addendum, nothing herein shall modify the rights and obligations of the parties under the Agreement. Except as set forth herein, all of the remaining provisions, including, but not limited to, the engagement of services, compensation, indemnification, and sovereign immunity provisions, remain in full force and effect.

**3. TERMINATION.** Section 5A of the Agreement is hereby replaced in its entirety with the following language:

The Agreement may be terminated immediately upon written notice by the District for cause, or for no reason upon 30 days written notice by either party. Contractor shall not be entitled to lost profits or any other damages of any kind resulting from any such termination by the District, provided however that Contractor shall be entitled to payment for any work provided through the effective date of termination, subject to any offsets.

**4. SCOPE OF SERVICES.** Exhibit A attached to the Agreement is hereby replaced in its entirety with Exhibit A attached hereto.

**IN WITNESS WHEREOF**, the parties execute this Addendum.

**SOLITUDE LAKE MANAGEMENT, LLC**

By: Trina L. Duncan  
Its: Business Manager

10/06/2025

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT**

DocuSigned by:  
By: Max Krupo  
Its: Chair  
1E7895E125E3425...

## EXHIBIT A:

**A SOLitude Aquatic Specialist will visit the site and inspect the pond two (2) times per month.**

Lake 1: 10.88 Acres - 4458 Linear Feet  
Lake 2: 2.25 Acres - 1280 Linear Feet  
Lake 3: 5.12 Acres - 2221 Linear Feet  
Lake 4: 1.97 Acres - 1436 Linear Feet  
Lake 5: 18.94 Acres - 8437 Linear Feet  
Lake 6: 4.48 Acres - 2488 Linear Feet  
Lake 7: 3.97 Acres - 2313 Linear Feet  
Lake 8: 3.85 Acres - 2182 Linear Feet  
Lake 9: 3.61 Acres - 2143 Linear Feet  
Lake 10: 6.53 Acres - 3616 Linear Feet  
Lake 11: 2.77 Acres - 1728 Linear Feet  
Lake 12: 3.80 Acres - 2240 Linear Feet  
Lake 13: 3.39 Acres - 2034 Linear Feet  
Lake 14: 3.07 Acres - 1963 Linear Feet  
Lake 15: 3.38 Acres - 2095 Linear Feet  
Lake 16: 3.53 Acres - 2155 Linear Feet  
Lake 17: 2.58 Acres - 1642 Linear Feet

Totals: 84.12 Acres - 44,431 Linear Feet

### Monitoring:

1. Observations and data collected during the inspections will be used to inform and guide all activities required to fulfill the requirements of this contract as specified in the description of services below.

### Visual Inspections:

1. A visual inspection of the lake(s) will be performed during each visit to the site. The inspections shall include the following:
  - Water levels
  - Water clarity or quality
  - Turbidity
  - Beneficial Aquatic Vegetation
  - Nuisance, Invasive, or Exotic Aquatic Vegetation
  - Algae
  - Physical components such as above ground pipes, inlet and outlet structures, trash racks, emergency spillways, and dams
  - Erosion
  - Issues with shoreline and bank stabilization measures such as rip rap stone, bulkheads, retaining walls, etc.
  - Forebays and inflowing or outflowing swales, ditches, and stream channels

- Vegetated buffers
  - Sedimentation
  - Nuisance animal activity
  - Fish habitat
  - Mosquito breeding conditions and habitat
  - Trash and debris
2. Any issues or deficiencies that are observed during this visual monitoring will be documented by our staff in the field notes of the service order completed at the time the issue was first observed and reported to the Customer in writing as part of that month's service report.
  3. Customer will be notified immediately if there are any deficiencies observed that appear in the judgment of our staff to be posing an immediate risk or otherwise jeopardizing the integrity of the pond(s) structures.
  4. The scope of these services is limited to what can be reasonably observed at the surface of the water and above the ground around the water that makes up the physical structure of the lake(s). These routine inspection services are not intended to replace any requirement or need for a more comprehensive engineered inspection, or any other type of inspection that would require expertise or equipment to survey the condition of the physical components of the lake(s) underground, underwater, or inside any of the associated structures.

Aquatic Weed Control:

1. Any growth of undesirable aquatic weeds and vegetation found in the lake(s) with each inspection shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the specific varieties of aquatic weeds and vegetation found at the time of application.
2. Invasive and unwanted submersed and floating vegetation will be treated and controlled preventatively and curatively each spring and early summer through the use of systemic herbicides at the rate appropriate for control of the target species. Application rates will be designed to allow for selective control of unwanted species while allowing for desirable species of submersed and emergent wetland plants to prosper.

Shoreline Weed Control:

1. Shoreline areas will be inspected for any growth of cattails, phragmites, or other unwanted shoreline vegetation found within the lake areas shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required for control of the plants present at time of application.
2. Any growth of unwanted plants or weeds growing in areas where stone has been installed for bank stabilization and erosion control shall be treated and controlled through the application of aquatic herbicides and aquatic surfactants as required to control the unwanted growth present at the time of application.

Littoral Shelf Control:

1. Littoral areas will be inspected and treated on an as-needed basis to maintain compliance with governing agencies for the management of all nuisance and exotic species.
2. Maintenance of future littoral plantings may necessitate an increased service level at an additional cost.

3. All Species will be killed in place with an approved herbicide.
4. This proposal does not include debris removal or disposal.

Buffer Management:

1. Buffer vegetation will be selectively treated as required to limit any growth of unwanted vegetation and to maintain the beneficial aquatic and upland vegetation found within the buffer areas along the edge of the pond. This service is provided in order to maintain the pond buffers in a natural, yet desirable appearance. Buffer vegetation height and density will be encouraged to help prevent nuisance goose and other wildlife from utilizing the pond, as well as providing the necessary erosion control and reduction of nutrients necessary for the overall health and sustainability of the pond.

Service Reporting:

1. Customer will be provided with a service report detailing all of the work performed as part of this Agreement after each visit.

Permitting: (When Applicable)

1. SOLitude staff will be responsible for the following:
  - a. Obtaining any Federal, state, or local permits required to perform any work specified in this Agreement where applicable.
  - b. Attending any public hearings or meetings with regulators as required in support of the permitting process.
  - c. Filing of any notices or year-end reports with the appropriate agency as required by any related permit.
  - d. Notifying the Customer of any restrictions or special conditions put on the site with respect to any permit received, where applicable.

Customer Responsibilities (when applicable):

1. Customer will be responsible for the following:
  - a. Providing information required for the permit application process upon request.
  - b. Providing Certified Abutters List for abutter notification where required.
  - c. Perform any public filings or recordings with any agency or commission associated with the permitting process, if required.
  - d. Compliance with any other special requirements or conditions required by the local municipality.
  - e. Compliance and enforcement of temporary water-use restrictions where applicable.

General Qualifications:

1. Company is a licensed pesticide applicator in the state in which service is to be provided.
2. Individual Applicators are Certified Pesticide Applicators in Aquatics, Public Health, Forestry, Right of Way, and Turf/Ornamental as required in the state in which service is to be provided.
3. Company is a SePRO Preferred Applicator and dedicated Steward of Water. Each individual applicator has been trained and educated in the water quality testing and analysis required for prescriptive site-specific water quality management and utilizes an integrated approach that encompasses all aspects of ecologically balanced management. Each applicator has

received extensive training in the proper selection, use, and application of all aquatic herbicides, algaecides, adjuvants, and water quality enhancement products necessary to properly treat our Customers' lakes and ponds as part of an overall integrated pest management program.

4. Company guarantees that all products used for treatment are EPA registered and labeled as appropriate and safe for use in lakes, ponds, and other aquatic sites, and are being applied in a manner consistent with their labeling.
5. All pesticide applications made directly to the water or along the shoreline for the control of algae, aquatic weeds, or other aquatic pests as specified in this Agreement will meet or exceed all of the Company's legal regulatory requirements as set forth by the EPA and related state agencies for NPDES and FIFRA. Company will perform treatments that are consistent with NPDES compliance standards as applicable in and determined by the specific state in which treatments are made. All staff will be fully trained to perform all applications in compliance with all federal, state, and local law.
6. Company will furnish the personnel, vehicles, boats, equipment, materials, and other items required to provide the foregoing at its expense. The application method and equipment (boat, ATV, backpack, etc.) used is determined by our technician at the time of the treatment to ensure the most effective method is provided for optimal results.
7. Any technician visit that will require the application of any pesticide (to include herbicides and algaecides) must be scheduled by the Wednesday prior to the week of the visit.

Total Price: \$44,353.92

Invoice Amount: 53,696.16

Invoice Frequency: Monthly

## AGREEMENT FOR ENGINEERING SERVICES

**THIS AGREEMENT (“Agreement”)** is made and entered into this 3rd day of December, 2025, by and between:

**Verano 1 Community Development District**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located in the City of Port St. Lucie, Florida, with a mailing address of 5385 N. Nob Hill Road, Sunrise, Florida 33351 (“**District**”); and

**Mills, Short & Associates, LLC**, a Florida limited liability company, providing professional engineering services with a mailing address of 700 22<sup>nd</sup> Place, Suite 2C & 2D, Vero Beach, Florida 32960 (“**Engineer**”).

### RECITAL

**WHEREAS**, the District is a local unit of special-purpose government established pursuant to the Uniform Community Development District Act of 1980, as codified in Chapter 190, *Florida Statutes*, and by an ordinance adopted by the City Council of the City of Port St. Lucie, Florida; and

**WHEREAS**, the District is authorized to plan, finance, construct, install, acquire and/or maintain improvements, facilities and services in conjunction with the development of the lands within the District; and

**WHEREAS**, pursuant to Sections 190.033 and 287.055, *Florida Statutes*, the District solicited proposals from qualified firms to provide professional engineering services on a continuing basis; and

**WHEREAS**, Engineer submitted a proposal to serve in this capacity; and

**WHEREAS**, the District's Board of Supervisors (“**Board**”) ranked Engineer as the most qualified firm to provide professional engineering services for the District and authorized the negotiation of a contract pursuant to Section 287.055, *Florida Statutes*; and

**WHEREAS**, the District intends to employ Engineer to perform engineering services including but not limited to construction administration, environmental management and permitting, financial and economic studies, as defined by a separate work authorization or work authorizations; and

**WHEREAS**, the 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 the District during performance of these 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:

**1. SCOPE OF SERVICES.**

- a. The Engineer will provide general engineering services, including:
  - i. Preparation of any necessary reports and attendance at meetings of the Board.
  - ii. Providing professional engineering services including but not limited to review and execution of documents under the District's Trust Indentures and monitoring of District projects. Performance of any other duties related to the provision of infrastructure and services as requested by the Board, District Manager, or District Counsel.
  - iii. Any other items requested by the Board.
- b. Engineer shall, when authorized by the Board, provide general services related to construction of any District projects including, but not limited to:
  - i. Periodic visits to the site, or full-time construction management of District projects, as directed by District.
  - ii. Processing of contractor's pay estimates.
  - iii. Preparation of, and/or assistance with the preparation of, work authorizations, requisitions, change orders and acquisitions for review by the District Manager, District Counsel and the Board.
  - iv. Final inspection and requested certificates for construction including the final certificate of construction.
  - v. Consultation and advice during construction, including performing all roles and actions required of any construction contract between District and any contractor(s) in which Engineer is named as owner's representative or "Engineer."
  - vi. Any other activity related to construction as authorized by the Board.
- c. With respect to maintenance of the facilities, Engineer shall render such services as authorized by the Board.

**2. REPRESENTATIONS.** The Engineer hereby represents to the District that:

- a. It has the experience and skill to perform the services required to be performed by this Agreement.
- b. It shall design to and comply with applicable federal, state, and local laws, and codes, including without limitation, professional registration and licensing requirements (both corporate and individual for all required basic disciplines) in effect during the term of this Agreement, and shall, if requested by District,

provide certification of compliance with all registration and licensing requirements.

- c. It shall perform said services in accordance with generally accepted professional standards exercised by consultants performing the same or similar services in the same locality at the time the services are provided .
- d. It is adequately financed to meet any financial obligations it may be required to incur under this Agreement.

**3. METHOD OF AUTHORIZATION.** Each service or project shall be authorized in writing by the District. The written authorization shall be incorporated in a work authorization which shall include the scope of work, compensation, project schedule, and special provisions or conditions specific to the service or project bring authorized ("**Work Authorization**"). Authorization of services or projects under the contract shall be at the sole option of the District. Work Authorization No. 1 attached hereto is hereby approved.

**4. COMPENSATION.** It is understood and agreed that the payment of compensation for services under this Agreement shall be stipulated in each Work Authorization. One of the following methods will be utilized:

- a. Lump Sum Amount - The District and Engineer shall mutually agree to a lump sum amount for the services to be rendered payable monthly in direct proportion to the work accomplished. Payment of each invoice will be due within 30 days of receipt by the District. For any lump-sum or cost-plus-a-fixed-fee professional service contract over the threshold amount provided in Section 287.017, *Florida Statutes*, for CATEGORY FOUR, the District shall require the Engineer to execute a truth-in-negotiation certificate stating that wage rates and other factual unit costs supporting the compensation are accurate, complete, and current at the time of contracting. The price for any lump sum Work Authorization, and any additions thereto, will be adjusted to exclude any significant sums by which the District determines the Work Authorization was increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs. All such adjustments must be made within 1 year following the completion of the work contemplated by the lump sum Work Authorization.
- b. Hourly Personnel Rates - For services or projects where scope of services is not clearly defined, or recurring services or other projects where the District desires to use the hourly compensation rates outlined in **Exhibit A** attached hereto. The District and Engineer may agree to a "not to exceed" amount when utilizing hourly personnel rates for a specific work authorization.

**5. REIMBURSABLE EXPENSES.** Reimbursable expenses consist of actual expenditures made by Engineer, its employees, or its consultants in the interest of the project for the incidental expenses as listed as follows:

- a. Expenses of transportation and living when traveling in connection with a project, for long distance phone calls and telegrams, and fees paid for securing approval of authorities having jurisdiction over the project. All expenditures shall be made in accordance with Chapter 112, *Florida Statutes*, and with the District's travel policy.
- b. Expense of reproduction, postage and handling of drawings and specifications.

**6. TERM OF CONTRACT.** It is understood and agreed that this Agreement is for engineering services. It is further understood and agreed that the term of this Agreement will be from the time of execution of this Agreement until terminated pursuant the terms herein.

**7. SPECIAL SERVICES.** When authorized in writing by the District, additional special consulting services may be utilized by Engineer and paid for on an hourly basis at Consultant's then-current hourly rates.

**8. BOOKS AND RECORDS.** Engineer shall maintain comprehensive books and records relating to any services performed under this Agreement, which shall be retained by Engineer for a period of at least four (4) years from and after completion of any services hereunder (or such longer period to the extent required by Florida's public records retention laws). The District, or its authorized representative, shall have the right to audit such books and records at all reasonable times upon prior notice to Engineer.

**9. OWNERSHIP OF DOCUMENTS.**

- a. All rights in and title to all plans, drawings, specifications, ideas, concepts, designs, sketches, models, programs, software, creation, inventions, reports, or other tangible work product originally developed by Engineer pursuant to this Agreement ("**Work Product**") shall be and remain the sole and exclusive property of the District when developed and shall be considered work for hire.
- b. The Engineer shall deliver all Work Product to the District upon completion thereof unless it is necessary for Engineer in the District's sole discretion, to retain possession for a longer period of time. Upon early termination of Engineer's services hereunder, Engineer shall deliver all such Work Product whether complete or not. The District shall have all rights to use any and all Work Product. Engineer shall retain copies of the Work Product for its permanent records, provided the Work Product is not used without the District's prior express written consent. Engineer agrees not to recreate any Work Product contemplated by this Agreement, or portions thereof, which if constructed or otherwise materialized, would be reasonably identifiable with the project. If said work product is used by the District for any purpose other than that purpose which is intended by this Agreement, the District shall

indemnify Engineer from any and all claims and liabilities which may result from such re-use, in the event Engineer does not consent to such use.

- c. The District exclusively retains all manufacturing rights to all materials or designs developed under this Agreement. To the extent the services performed under this Agreement produce or include copyrightable or patentable materials or designs, such materials or designs are work made for hire for the District as the author, creator, or inventor thereof upon creation, and the District shall have all rights therein including, without limitation, the right of reproduction, with respect to such work. Engineer hereby assigns to the District any and all rights Engineer may have including, without limitation, the copyright, with respect to such work. The Engineer acknowledges that the District is the motivating factor for, and for the purpose of copyright or patent, has the right to direct and supervise the preparation of such copyrightable or patentable materials or designs.

**10. ACCOUNTING RECORDS.** Records of Engineer pertaining to the services provided hereunder shall be kept on a basis of generally accepted accounting principles and shall be available to the District or its authorized representative for observation or audit at mutually agreeable times.

**11. REUSE OF DOCUMENTS.** All documents including drawings and specifications furnished by Engineer pursuant to this Agreement are instruments of service. They are not intended or represented to be suitable for reuse by District or others on extensions of the work for which they were provided or on any other project. Any reuse without specific written consent by Engineer will be at the District's sole risk and without liability or legal exposure to Engineer. All documents including drawings, plans and specifications furnished by Engineer to District are subject to reuse in accordance with Section 287.055(10), *Florida Statutes*.

**12. COST ESTIMATES.** Since Engineer has no control over the cost of labor, materials or equipment or over a contractor's methods of determining prices, or over competitive bidding or market conditions, his opinions of probable cost provided as a service hereunder are to be made on the basis of his experience and qualifications and represent his best judgment as a design professional familiar with the construction industry, but Engineer cannot and does not guarantee that proposals, bids, or the construction costs will not vary from opinions of probable cost prepared by him. If the District wishes greater assurance as to the construction costs, it shall employ an independent cost estimator at its own expense. Services to modify approved documents to bring the construction cost within any limitation established by the District will be considered additional services and justify additional fees.

**13. INSURANCE.** Engineer shall, at its own expense, maintain insurance during the performance of its services under this Agreement, with limits of liability not less than the following:

Workers' Compensation	Statutory
General Liability	
Bodily Injury (including Contractual)	\$1,000,000/\$2,000,000
Property Damage (including Contractual)	\$1,000,000/\$2,000,000
Automobile Liability	Combined Single Limit \$1,000,000
Bodily Injury / Property Damage	
Professional Liability for Errors and Omissions	\$1,000,000

If any such policy of insurance is a "claims made" policy, and not an "occurrence" policy, the Engineer shall, without interruption, and at the District's option, maintain the insurance during the term of this Agreement and for at least five years after the termination of this Agreement.

The District, its officers, supervisors, agents, staff, and representatives shall be named as additional insured parties, except with respect to the Worker's Compensation Insurance and the Professional Liability for Errors and Omissions Insurance both for which only proof of insurance shall be provided. The Engineer shall furnish the District with the Certificate of Insurance evidencing compliance with the requirements of this Section. No certificate shall be acceptable to the District unless it provides that any change or termination within the policy periods of the insurance coverage, as certified, shall not be effective without written notice to the District per the terms of the applicable policy. Insurance coverage shall be from a reputable insurance carrier, licensed to conduct business in the state of Florida.

If the Engineer fails to have secured and maintained the required insurance, the District has the right (without any obligation to do so, however), to secure such required insurance in which event, the Engineer shall pay the cost for that required insurance and shall furnish, upon demand, all information that may be required in connection with the District's obtaining the required insurance.

**14. CONTINGENT FEE.** The Engineer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Engineer, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Engineer, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement.

**15. AUDIT.** The Engineer agrees that the District or any of its duly authorized representatives shall, until the expiration of three years after expenditure of funds under this Agreement, have access to and the right to examine any books, documents, papers, and records of the Engineer involving transactions related to the Agreement. The Engineer agrees that payment made under the Agreement shall be subject to reduction for amounts charged thereto that are found on the basis of audit examination not to constitute allowable costs. All required records shall be maintained until an audit is completed and all questions arising therefrom are resolved, or three years after completion of all work under the Agreement.

**16. INDEMNIFICATION.** Engineer agrees to indemnify, and hold the District and the District's officers and employees wholly harmless from liabilities, damages, losses, and costs of any kind, including, but not limited to, reasonable attorney's fees, which may come against the District and the District's officers and employees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct, or defaults by Engineer or persons employed or utilized by Engineer in the course of any work done relating to this Agreement. To the extent a limitation on liability is required by Section 725.06, *Florida Statutes* or other applicable law, liability under this section shall in no event exceed the sum of One Million Dollars and Engineer shall carry, at his own expense, insurance in a company satisfactory to District to cover the aforementioned liability. Engineer agrees such limitation bears a reasonable commercial relationship to the contract and was part of the project specifications or bid documents.

**17. INDIVIDUAL LIABILITY. UNDER THIS AGREEMENT, AND SUBJECT TO THE REQUIREMENTS OF SECTION 558.0035, FLORIDA STATUTES, WHICH REQUIREMENTS ARE EXPRESSLY INCORPORATED HEREIN, AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE.**

**18. SOVEREIGN IMMUNITY.** The Engineer agrees and covenants that nothing in this Agreement shall constitute or be construed as a waiver of District's limitations on liability pursuant to Section 768.28, *Florida Statutes*, or any other statute or law.

**19. PUBLIC RECORDS.** The Engineer agrees and understands that Chapter 119, *Florida Statutes*, may be applicable to documents prepared in connection with work provided to the District and agrees to cooperate with public record requests made thereunder. In connection with this Agreement, Engineer agrees to comply with all provisions of Florida's public records laws, including but not limited to Section 119.0701, *Florida Statutes*, the terms of which are incorporated herein. Among other requirements, Engineer must:

- a. Keep and maintain public records required by the District to perform the service.
- b. Upon request from the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within

a reasonable time at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes* or as otherwise provided by law.

- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Engineer does not transfer the records to the District.
- d. Upon completion of this Agreement, transfer, at no cost, to the District all public records in possession of the Engineer or keep and maintain public records required by the District to perform the service. If the Engineer transfers all public records to the District upon completion of this Agreement, the Engineer shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Engineer keeps and maintains public records upon completion of the Agreement, the Engineer shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

**IF THE ENGINEER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE ENGINEER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT GOVERNMENTAL MANAGEMENT SERVICES – SF, LLC, AHPHILIPPI@GMSSF.COM, 954-721-8681, OR 5385 N. NOB HILL ROAD, SUNRISE, FLORIDA 33351.**

**20. EMPLOYMENT VERIFICATION.** The Engineer agrees that it shall bear the responsibility for verifying the employment status, under the Immigration Reform and Control Act of 1986, of all persons it employs in the performance of this Agreement.

**21. CONFLICTS OF INTEREST.** The Engineer shall avoid any conflicts of interest and shall abide by all applicable ethical canons and professional standards relating to conflicts of interest.

**22. SUBCONTRACTORS.** The Engineer may subcontract portions of the services, subject to the terms of this Agreement and subject to the prior written consent of the District, which may be withheld for any or no reason. Without in any way limiting any terms and conditions set forth in this Agreement, all subcontractors of Engineer shall be deemed to have made all of the representations and warranties of Engineer set forth herein and shall be subject to any and all obligations of Engineer hereunder. Prior to any subcontractor providing any services, Engineer shall obtain from each subcontractor its written consent to and acknowledgment of the terms of this Agreement. Engineer shall be responsible for all acts or omissions of any subcontractors.

**23. INDEPENDENT CONTRACTOR.** The District and the Engineer agree and acknowledge that the Engineer shall serve as an independent contractor of the District. Neither the Engineer nor employees of the Engineer, if any, are employees of the District under the meaning or application of any federal or state unemployment, insurance laws, or any other potentially applicable laws. The Engineer agrees to assume all liabilities or obligations by any one or more of such laws with respect to employees of the Engineer, if any, in the performance of this Agreement. The Engineer shall not have any authority to assume or create any obligation, express or implied, on behalf of the District and the Engineer shall have no authority to represent as agent, employee, or in any other capacity the District unless set forth differently herein or authorized by vote of the Board.

**24. ASSIGNMENT.** Neither the District nor the Engineer shall assign, sublet, or transfer any rights under or interest in this Agreement without the express written consent of the other. Nothing in this paragraph shall prevent the Engineer from employing such independent professional associates and consultants as Engineer deems appropriate, pursuant to the terms of this Agreement.

**25. THIRD PARTIES.** Nothing in the Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred by operation of law.

**26. CONTROLLING LAW.** The Engineer and the District agree that this Agreement shall be controlled and governed by the laws of the State of Florida. Venue for any action arising under this Agreement shall be in the State Courts located in St. Lucie County, Florida.

**27. WAIVER OF JURY TRIAL.** The Parties hereby knowingly, irrevocably, voluntarily and intentionally waive any rights to a trial by jury in respect to any action, proceeding or counterclaim based on this contract or arising out of, under, or in connection with this contract or any document or instrument executed in connection with this contract, or any course of conduct, course of dealing, statements (whether verbal or written) or action of any party hereto. This provision is a material inducement for the parties entering into the subject agreement.

**28. TERMINATION.** The District may terminate this Agreement for cause immediately upon notice to Engineer. The District or the Engineer may terminate this Agreement without cause upon thirty (30) days written notice. At such time as the Engineer receives notification of the intent of the District to terminate the contract, the Engineer shall not perform any further services unless directed to do so in writing by the District. In the event of any termination or breach of any kind, the Engineer shall not be entitled to consequential damages of any kind (including but not limited to lost profits), but instead the Engineer's sole remedy will be to recover payment for services rendered to the date of the notice of termination, subject to any offsets.

**29. RECOVERY OF COSTS AND FEES.** In the event either party is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party shall be entitled to

recover from the other party all costs incurred, including reasonable attorneys' fees at all judicial levels.

**30. AMENDMENTS.** Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto and formally approved by the Board.

**31. AGREEMENT.** This Agreement reflects the negotiated agreement of the parties, each represented by competent legal counsel. Accordingly, this Agreement shall be construed as if both parties jointly prepared it, and no presumption against one party or the other shall govern the interpretation or construction of any of the provisions of this Agreement.

**32. NOTICES.** All notices, requests, consents and other communications hereunder ("**Notices**") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or tele-copied to the parties, and at the addresses first set forth above. Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Engineer may deliver Notice on behalf of the District and the Engineer. 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) day's written notice to the parties and addressees set forth herein.

**33. RECOVERY OF COSTS AND FEES.** In the event either party is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party shall be entitled to recover from the other party all costs incurred, including reasonable attorneys' fees.

**34. E-VERIFY.** The Engineer shall comply with and perform all applicable provisions of Section 448.095, *Florida Statutes*. Accordingly, to the extent required by Florida Statute, Engineer shall register with and use the United States Department of Homeland Security's E-Verify system to verify the work authorization status of all newly hired employees. The District may terminate this Agreement immediately for cause if there is a good faith belief that the Engineer has knowingly violated Section 448.091, *Florida Statutes*. By entering into this Agreement, the Engineer represents that no public employer has terminated a contract with the Engineer under Section 448.095(2)(c), *Florida Statutes*, within the year immediately preceding the date of this Agreement.

**35. SCRUTINIZED COMPANY CERTIFICATION.** The Engineer hereby swears or affirms that as of the date below the Engineer is not listed on a Scrutinized Companies list created

pursuant to 215.4725, 215.473, or 287.135, Florida Statutes. Pursuant to 287.135, Florida Statutes the Engineer further affirms that:

- a. The Engineer is not participating in a boycott of Israel such that is not refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel, or person or entities doing business in Israel or in Israeli-controlled territories, in a discriminatory manner.
- b. The Engineer does not appear on the Scrutinized Companies with Activities in Sudan List where the State Board of Administration has established the following criteria:
  - i. Have a material business relationship with the government of Sudan or a government-created project involving oil related, mineral extraction, or power generation activities, or
  - ii. Have a material business relationship involving the supply of military equipment, or
  - iii. Impact minimal benefit to disadvantaged citizens that are typically located in the geographic periphery of Sudan, or
  - iv. Have been complicit in the genocidal campaign in Darfur.
- c. The Engineer does not appear on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List where the State Board of Administration has established the following criteria:
  - i. Have a material business relationship with the government of Iran or a government-created project involving oil related or mineral extraction activities, or
  - ii. Have made material investments with the effect of significantly enhancing Iran's petroleum sector.
- d. The Engineer is not engaged in business operations in Cuba or Syria.
- e. The scrutinized company list is maintained by the State Board of Administration and available at <http://www.sbafla.com/>.

**36. RESPONSIBLE VENDOR DETERMINATION.** The Engineer is hereby notified that Section 287.05701, Florida Statutes, requires that the District may not request documentation of or consider a contractor's, vendor's, or service provider's social, political, or ideological interests when determining if the contractor, vendor, or service provider is a responsible contractor, vendor, or service provider.

**37. CONVICTED VENDOR LIST.** Engineer hereby certifies that neither Engineer nor any of its affiliates are currently on the Convicted Vendor List maintained pursuant to Section 287.133, Florida Statutes. Pursuant to Section 287.133(2)(a), Florida Statutes, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or

replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of thirty-six (36) months following the date of being placed on the convicted vendor list.

**38. ACCEPTANCE.** Acceptance of this Agreement is indicated by the signature of the authorized representative of the District and the Engineer in the spaces provided below.

[CONTINUED ON FOLLOWING PAGE]

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

**VERANO 1 COMMUNITY DEVELOPMENT DISTRICT**

DocuSigned by:  
*Andressa Heinz Philipp*  
87D36659F55A4C5...  
Secretary

DocuSigned by:  
*Max Krupo*  
1E7805E125E3425...  
Chairman, Board of Supervisors

**MILLS, SHORT & ASSOCIATES, LLC**

\_\_\_\_\_  
Witness

Signed by:  
*Brandon Ulmer*  
4A5DF45413F1462...  
By: Brandon Ulmer  
Its: Partner

**EXHIBIT A**

**HOURLY FEE SCHEDULE**

December 3rd, 2025

Verano 1 Community Development District  
City of Port St. Lucie, Florida

Subject: **Work Authorization Number 1**  
**Verano 1 Community Development District**

Dear Chairman, Board of Supervisors:

Mills, Short & Associates, LLC ("**Engineer**") is pleased to submit this work authorization to provide engineering services for the Verano 1 Community Development District ("**District**"). We will provide these services pursuant to our current agreement dated December 3rd, 2025 ("**Engineering Agreement**") as follows:

**I. Scope of Work**

The District will engage Engineer to:

- Perform those services as necessary pursuant to the Engineering Agreement including, but not limited to, attendance at Board of Supervisors meetings and preparation of reports or other activities as directed by the Board of Supervisors.

**II. Fees**

The District will compensate Engineer pursuant to the hourly rate schedule contained in the Engineering Agreement. The District will reimburse Engineer all direct costs which include items such as printing, drawings, travel, deliveries, et cetera, pursuant to the Agreement.

This proposal, together with the Engineering Agreement, represents the entire understanding between the District and Engineer with regard to the referenced work authorization. If you wish to accept this work authorization, please sign both copies where indicated, and return one complete copy to our office. Upon receipt, we will promptly schedule our services.

APPROVED AND ACCEPTED

Sincerely,

**VERANO 1 COMMUNITY DEVELOPMENT DISTRICT**

**MILLS, SHORT & ASSOCIATES, LLC**

By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# Mills, Short & Associates

## Terms and Conditions for Professional Engineering Services

### 1. DEFINITIONS

“Client” shall mean the person, firm, or corporation identified in the Mills, Short & Associates Proposal for whom Services are to be performed.

“MSA” shall mean Mills, Short & Associates, LLC., Florida Limited Liability Company.

“Client Order” shall mean the purchase order, request, authorization, or other notification, and any addition or modification thereto, whereby Client indicates its desire that MSA furnish Services.

“MSA Proposal” shall mean the letter, proposal, quotation, or other notification, including any response to the Client Order, wherein MSA offers to furnish Services.

“Services” shall mean the Services of MSA personnel described in the MSA Proposal or Client Order and any other Services as may be added to or performed in connection with this Agreement.

“Agreement” shall mean these Terms and Conditions and the MSA Proposal, and shall include, only to the extent consistent with the MSA Proposal and these Terms and Conditions, the provisions of the Client Order. In the event of a conflict between any terms and conditions deemed to be part of the Agreement and these Terms and Conditions, these Terms and Conditions shall govern.

### 2. STANDARD OF PERFORMANCE

The standard of care for all professional engineering, consulting, and related Services performed or furnished by MSA and its employees under this Agreement will be the care and skill ordinarily used by members of MSA’s profession practicing under the same or similar circumstances at the same time and in the same locality. MSA makes no warranties, express or implied, in connection with the Services, including any warranties of merchantability of fitness for a particular purpose.

### 3. INSURANCE

MSA agrees to procure and maintain, at its expense, Workers’ Compensation insurance as required by statute; Employer’s Liability of \$500,000; Automobile Liability insurance of \$500,000 combined single limit from bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of \$1,000,000 combined single limit for personal injury and property damage; and professional Liability insurance of \$500,000 per claim for protection against claims arising out of the performance of Services under this Agreement caused by negligent acts, errors, or omissions for which MSA is legally liable. Upon request, Client shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the Client.

### 4. OPINIONS OF PROBABLE COST (COST ESTIMATES)

Any opinions of probable material or equipment cost, or probable construction cost, provided by MSA, are made on the basis of information available to MSA, and represents its judgment as an experienced and qualified professional engineer. However, since MSA has no control over the cost of labor, materials, equipment or

services furnished by others, or over competitive bidding or market conditions, MSA does not guarantee that proposals, bids or actual equipment, materials, or construction cost will not vary from opinions of probable cost MSA prepares.

### 5. CONSTRUCTION PROCEDURES

MSA’s observation or monitoring portions of the work performed under construction contracts shall not relieve the contractor from its responsibility for performing work in accordance with applicable contract documents. MSA shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work, and shall not manage, supervise, control or have charge of construction. MSA shall not be responsible for the acts or omissions of the contractor or other parties on the project.

### 6. CONTROLLING LAW

This Agreement is to be governed by the law of the state of Florida.

### 7. OWNER RESPONSIBILITIES

Without limiting any express or implied obligations of Client under applicable law, Client shall: (1) provide MSA, in writing, all information relating to Client’s requirements for the project; (2) correctly identify to MSA the location of subsurface structures, such as pipes, tanks, cables, and utilities; (3) notify MSA of any potential hazardous substances or other health and safety hazard or condition known to Client existing on or near the project site; (4) give MSA prompt written notice of any suspected deficiency in the Services; (5) with reasonable promptness, provide required approvals and decisions; and (6) furnish or cause to be furnished to MSA full, unrestricted and legal access to, and use of, the site and all necessary rights of way and easements, in order to perform the Services. Client agrees to bear full responsibility for the accuracy and completeness of all documents, information, or services supplied by Client. Client acknowledges that opinions relating to environmental, geologic, and geotechnical conditions are based on limited data and that actual conditions may vary from those encountered at the times and locations where the data are obtained, despite the use of due professional care.

### 8. SUCCESSORS AND ASSIGNS

Client and MSA, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither Client nor MSA will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other.

### 9. DOCUMENTS AND INTELLECTUAL PROPERTY

All documents, including all reports, drawings, specifications, computer software or other items prepared or furnished by MSA pursuant to this Agreement, are instruments of service with respect

to the project. MSA retains ownership of all such documents. Client may retain copies of the documents for its information and reference in connection with the project; however, none of the documents are intended or represented to be suitable for reuse by Client or others on extensions of the project or on any other project. Any reuse without written verification or adaptation by MSA for the specific purpose intended with be at Client's sole risk and without liability or legal exposure to MSA, and Client will defend, indemnify and hold harmless MSA from all claims, damages, losses and expenses, including attorney's fees, arising or resulting therefrom. Any such verification or adaptation will entitle MSA to further compensation at rates to be agreed upon by Client and MSA.

**10. TERMINATION OF AGREEMENT**

Client or MSA, after having afforded the other party a reasonable opportunity to cure, may terminate the Agreement, in whole or in part, by giving seven (7) days written notice, if the other party substantially fails to fulfill its obligations under the Agreement through no fault of the terminating party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all Services and expenses associated with the project up to the effective date of termination. An equitable adjustment shall also be made to provide for cancellation charges and other termination settlement costs MSA incurs as a result of commitments that had become firm before termination, and for a reasonable profit for Services performed.

**11. SEVERABILITY**

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

**12. INVOICES**

MSA will submit monthly invoices for Services rendered and Client will make prompt payments in response to MSA's Invoice.

MSA will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by Client's auditors upon request.

If Client disputes any items in MSA's invoice for any reason, including the lack of supporting documentation, Client may temporarily delete the disputed item but shall pay all undisputed items appearing in the invoice. Client will promptly notify MSA of the dispute and request clarification and/or correction. After any dispute has been settled, MSA will include the disputed item on a subsequent, regularly-scheduled invoice or on a special invoice for the disputed item only.

Client recognizes that late payment of invoices results in extra expenses for MSA. MSA retains the right to assess Client interest at the rate of one percent (1%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date of the invoice. In the event undisputed portions of MSA's invoices are not paid when due, MSA also reserves the right to suspend the performance of its Services under this Agreement until all past due amounts have been paid in full.

**13. CHANGES**

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of Services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. As the project progresses, the facts developed may dictate a change in the Services to be performed, which may alter the scope. MSA will inform Client of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional Services, or suspension of Services result in an increase or decrease in the cost of or time required for performance of the Services, and equitable adjustment shall be made, and the Agreement modified accordingly.

**14. EXECUTION**

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between MSA and Client, and supersedes all prior written or oral understanding. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

**15. NO CONSEQUENTIAL DAMAGES**

To the fullest extent permitted by law, neither Client nor MSA shall be liable, whether liability arises from negligence, breach of contract, breach of warranty, indemnity, or any other theory of recovery, for any consequential, special, incidental, indirect, punitive or exemplary damages, or damages arising from or in connection with loss of use, loss of revenue or profit (Actual or Anticipated) loss by reason of shutdown or non-operation, increased cost of construction, cost of capital, cost of replacement power or customer claims, and MSA hereby releases Client and Client hereby releases MSA from any such liability.

**16. LIMITATION OF LIABILITY**

To the fullest extent permitted by law, the total liability of MSA, its subconsultants, and its employees to client for any loss or damage arising out of the performance of services under this agreement, including, without limitation, loss or damage arising from negligence, breach of contract, breach of warranty, indemnity, or any other theory of recovery, shall not exceed the total charges for services performed under this agreement, and client hereby releases MSA, its subconsultants, and its employees from any liability above such amount.

**17. LITIGATION SUPPORT**

In the event MSA is required to respond to a subpoena, government inquiry or other legal process related to the Services in connection with a legal or dispute resolution proceeding to which MSA is not a party, Client shall reimburse MSA for reasonable costs in responding and compensate MSA at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearing, and trial.

**18. SURVIVAL**

The provisions of this Agreement which by their nature are intended to survive the termination, cancellation, completion, or expiration of the Agreement, including, but not limited to, any expressed limitations of, or releases from, liability, shall continue as valid and enforceable obligations of the parties notwithstanding any such termination, cancellation, completion, or expiration.

**MILLS, SHORT & ASSOCIATES, LLC  
SCHEDULE OF FEES AND CHARGES**

**JANUARY 1, 2025**

**The following describes the basis for compensation for services to be performed by Mills, Short & Associates during the calendar year. This Schedule of Fees and Charges may be revised annually on January 1 of each subsequent year to reflect merit and economic salary and expense increases, and changes in the expected level and mode of operations for the new year.**

**PERSONNEL CHARGES:**

The charge for all time required in the performance of the Scope of Services, including office, field and travel time, will be at the *Standard Hourly Rate* set forth below for the *Responsibility Level* indicated.

**Standard Hourly Rates:**

Responsibility Level	Standard Hourly Rate
<b>Principal</b>	<b>\$300</b>
<b>Structural Engineer</b>	<b>\$250</b>
<b>Civil Engineer</b>	<b>\$150</b>
<b>Design Technician</b>	<b>\$100</b>
<b>Land Planner</b>	<b>\$175</b>
<b>Landscape Architect</b>	<b>\$175</b>
<b>Clerical</b>	<b>\$50</b>
<b>Inspector</b>	<b>\$100</b>
<b>Construction Administrator</b>	<b>\$100</b>

**Travel Time:**

A maximum of eight (8) hours of travel time per day per employee will be charged for travel.

**Litigation Support:**

When MSA staff appear as expert witnesses at court trials, arbitration hearings, mediation and depositions (including standby time when requested by client and/or client's attorney), their time will be invoiced at \$250/hour with a minimum of four (4) hours.

Time spent by personnel preparing for such trials, hearings, and depositions, will be charged at the *Standard Hourly Rate*.

**SUBCONTRACTORS AND EXPENSES:**

**Subcontractors:**

The cost of expenses incurred and services subcontracted by MSA to others, including but not limited to; surveyors, geotechnical engineers, material testing laboratory analyses, traffic engineering, and consultants will be invoiced at cost.

**Document Reprographic Services:**

Reproductive efforts normally expected during the course of engineering will be billed at the following rates:

< 11"x17":

B&W Photocopy            \$0.08/copy  
 Color Photocopy            \$1.00/copy

11"x17":

B&W Photocopy            \$0.15/copy  
 Color Photocopy            \$1.00/copy

≤ 24"x36":

B&W Photocopy            \$1.25/copy  
 Color Photocopy            \$2.00/copy

**Vehicles and Mileage:**

The mileage charged for personal and MSA owned vehicles used on project assignments will be the current mileage rate established by the Internal Revenue Service for tax purposes.

**Procurement and Contract Administration Fee:**

A procurement and administrative fee of 10% will be invoiced on all costs identified in *Subcontractors and Expenses*.

## AGREEMENT FOR POND LANDSCAPE MAINTENANCE SERVICES AGREEMENT

**THIS AGREEMENT (“Agreement”)** is made, and entered into, by and between:

**VERANO 1 COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and with a mailing address of c/o 5385 N Nob Hill Road, Sunrise FL 33351 (“**District**”), and

**P.H.L. LAND CARE, INC.**, a Florida Corporation, with a principal address of 13300A Okeechobee Rd, Fort Pierce, Florida 34945 mail: PO BOX 13767 Ft Pierce, FL 34979 (“**Contractor**”).

### RECITALS

**WHEREAS**, the District is a local unit of special-purpose government established pursuant to and governed by Chapter 190 of the *Florida Statutes*; and

**WHEREAS**, the District owns, operates and maintains landscaping areas in and around lakes and ponds (“**Landscape Areas**”); and

**WHEREAS**, the District desires to enter into an agreement with an independent contractor to provide pond landscape maintenance services for the Landscape Areas, as outlined in **Exhibit A (“Services”)**; and

**WHEREAS**, Contractor represents and warrants that it is qualified to provide such Services and desires to enter into an agreement with the District to provide the Services in accordance with the terms and specifications in this Agreement and **Exhibit A**.

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

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

**2. SERVICES.** The Contractor agrees to provide the Services outlined in **Exhibit A**. Contractor hereby covenants to the District that it shall perform the services: (i) using its best skill and judgment and in accordance with generally accepted professional standards, and (ii) in compliance with all applicable federal, state, county, municipal, building and zoning, land use, environmental, public safety, nondiscrimination and disability accessibility laws, codes, ordinances, rules and regulations, permits and approvals (including any permits and approvals relating to water rights), including, without limitation, all professional registration (both corporate and individual) for all required basic disciplines that it shall perform. While providing the Services, the Contractor shall assign such staff as may be required, and such staff shall be responsible for coordinating, expediting, and controlling all aspects to assure completion of the Services. Contractor represents that the Services are sufficient to ensure that the Landscape Areas are being operated in a manner consistent with applicable permits and approvals, if any. Contractor shall solely be responsible for the means, manner and methods by which its duties, obligations and responsibilities are met to the satisfaction of the District. This Agreement grants to Contractor the right

to enter the District property that is the subject of this Agreement, and for those purposes described in this Agreement.

*Additional Work.* The Contractor agrees that the District shall not be liable for the payment of any additional work and/or services unless the District first authorizes the Contractor to perform such additional work and/or services through an authorized and fully executed change order. Nothing herein shall be construed to require the District to use the Contractor for any such additional work and/or services, and the District reserves the right to retain a different contractor to perform any additional work and/or services.

**3. TERM.** Contractor shall provide the Services beginning upon the full execution of this Agreement, and continue through September 30 of the year in which this Agreement becomes effective, unless terminated earlier pursuant to its terms. This Agreement shall automatically renew for one-year periods beginning October 1 (i.e., based on the District's fiscal year), unless terminated pursuant to the terms herein.

**4. COMPENSATION; PAYMENT.** As compensation for the Services described in this Agreement, the District agrees to pay the Contractor the amounts set forth in **Exhibit A**. The Contractor shall maintain records conforming to usual accounting practices. Further, the Contractor agrees to render monthly invoices to the District, in writing, which shall be delivered or mailed to the District by the fifth (5<sup>th</sup>) day of the next succeeding month. Each monthly invoice shall contain, at a minimum, the District's name, the Contractor's name, the invoice date, an invoice number, an itemized listing of all costs billed on the invoice with a description of each sufficient for the District to approve each cost, the time frame within which the services were provided, and the address or bank information to which payment is to be remitted. Consistent with Florida's Prompt Payment Act, Section 218.70 et al. of the Florida Statutes, these monthly invoices are due and payable within forty-five (45) days of receipt by the District.

**5. CARE OF DISTRICT PROPERTY.** Contractor shall use all due care to protect the property of the District, its patrons, landowners and authorized guests from damage by Contractor or its employees or agents. Contractor agrees to repair any damage resulting from the Services within twenty-four (24) hours. Any such repairs shall be at Contractor's sole expense, unless otherwise agreed, in writing, by the District.

**6. COMPLIANCE WITH LAW.** In providing the Services, Contractor shall comply with all applicable laws, rules, and regulations, including but not limited to all orders or requirements affecting the District property placed thereon by any governmental authority having jurisdiction.

**7. PERMITS AND LICENSES.** All other permits or licenses necessary for the Contractor to perform under this Agreement shall be obtained and paid for by the Contractor.

**8. WARRANTY AND COVENANT.** The Contractor warrants to the District that all materials furnished under this Agreement shall be new, and that all services and materials shall be of good quality, free from faults and defects. The Contractor hereby warrants any materials and services for a period of one (1) year after acceptance by the District or longer as required under Florida law. With respect to any and all plant material provided pursuant to this Agreement or any separate work authorization issued hereunder, all plant material shall be guaranteed to be in a satisfactory growing condition and to live for a

period of one (1) year from planting except for annuals, which will be replaced seasonally. All plants that fail to survive under the guarantee shall be replaced as they fail with the same type and size as originally specified. Contractor further warrants to the District those warranties which Contractor otherwise warrants to others and the duration of such warranties is as provided by Florida law unless longer guarantees or warranties are provided for elsewhere in the Agreement (in which case the longer periods of time shall prevail). Contractor shall replace or repair warranted items to the District's satisfaction and in the District's discretion. Neither final acceptance of the services, nor monthly or final payment therefore, nor any provision of the Agreement shall relieve Contractor of responsibility for defective or deficient materials or services. If any of the services or materials are found to be defective, deficient or not in accordance with the Agreement, Contractor shall correct remove and replace it promptly after receipt of a written notice from the District and correct and pay for any other damage resulting therefrom to District property or the property of landowners within the District. Contractor hereby certifies it is receiving the property in its as-is condition and has thoroughly inspected the property and addressed any present deficiencies, if any, with the District. Contractor shall be responsible for maintaining and warranting all plant material maintained by Contractor as of the first date of the services.

**9. ACCIDENTS/CLAIMS.** Contractor shall promptly and in no event within more than seventy-two (72) hours provide a written report as to all accidents, injuries or claims for damage relating to the Amenity Landscape Areas or related to the Services, including any damage or destruction of property, and shall cooperate and make any and all reports required by any insurance company, law enforcement agency or the District in connection therewith, unless the District's Board of Supervisors ("**Board**") expressly directs Contractor otherwise, in writing.

**10. INDEPENDENT CONTRACTOR.** In all matters relating to this Agreement, Contractor shall be acting as an independent contractor. Neither Contractor nor employees of Contractor are employees of the District under the meaning or application of any Federal or State Unemployment or Insurance Laws or otherwise. Contractor agrees to assume all liabilities or obligations imposed by any one or more of such laws with respect to employees of Contractor, if any, in the performance of this Agreement. Contractor shall not have any authority to assume or create any obligation, express or implied, on behalf of the District and Contractor shall have no authority to represent the District as an agent, employee, or in any other capacity, unless otherwise set forth in this Agreement.

**11. TERMINATION.** The District shall have the right to terminate this Agreement immediately upon written notice for cause, or upon thirty (30) days' written notice without cause. Contractor shall have the right to terminate this Agreement upon sixty (60) days' written notice to the District. In the event either party terminates this Agreement, Contractor's sole remedy shall be to recover the balance of money due and owing to it at the effective date of termination for the work actually performed up to that date, subject to any off-sets the District might have against Contractor.

**12. INSURANCE.** Contractor shall maintain throughout the term of this Agreement the insurance listed in **Exhibit B**. The District, its staff, consultants and supervisors shall be named as additional insured. The Contractor shall furnish the District with the Certificate of Insurance evidencing compliance with this requirement. No certificate shall be acceptable to the District unless it provides that any change or termination within the policy periods of the insurance coverage, as certified, shall not be effective within thirty (30) days of prior written notice to the District. Insurance coverage shall be from a reputable insurance carrier, licensed to conduct business in the State of Florida.

**13. INDEMNIFICATION.** Contractor agrees to defend, indemnify, and hold harmless the District and its officers, agents, employees, successors, assigns, members, affiliates, or representatives from any and all liability, claims, actions, suits, liens, demands, costs, interest, expenses, damages, penalties, fines, judgments against the District, or loss or damage, whether monetary or otherwise, arising out of, wholly or in part by, or in connection with the Services to be performed by Contractor, its subcontractors, its employees and agents in connection with this Agreement, including litigation, mediation, arbitration, appellate, or settlement proceedings with respect thereto. Additionally, nothing in this Agreement requires Contractor to indemnify the District for the District's percentage of fault if the District is adjudged to be more than 50% at fault for any claims against the District and Contractor as jointly liable parties; however, Contractor shall indemnify the District for any and all percentages of fault attributable to Contractor for claims against the District, regardless of whether the District is adjudged to be more or less than 50% at fault. Contractor further agrees that nothing herein shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, *Florida Statutes*, or other statute. Obligations under this section shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, fines, forfeitures, back pay awards, court costs, arbitration and/or mediation costs, litigation expenses, attorneys' fees, paralegal fees (incurred in court, out of court, on appeal, or in bankruptcy proceedings), any interest accrued against the District, all as actually incurred. The indemnification rights herein contained shall be cumulative of, and in addition to, any and all rights, remedies and recourse to which the District shall be entitled, whether pursuant to some other provision of this Agreement, at law, or in equity. The provisions of this Section shall survive the termination or expiration of this Agreement.

**14. DEFAULT; THIRD-PARTY INTERFERENCE.** A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief, and/or specific performance. The District shall be solely responsible for enforcing its rights under this Agreement against any interfering third-party. Nothing contained herein shall limit or impair the District's right to protect its rights from interference by a thirdparty to this Agreement.

**15. ATTORNEY'S FEES.** In the event that either the District or Contractor is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party shall be entitled to recover all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

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

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

**18. NOTICES.** All notices, requests, consents, and other communications under this Agreement ("**Notices**") shall be in writing and shall be delivered, mailed by Overnight Delivery or First Class Mail, postage prepaid, to the parties, at the addresses first listed above. Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be

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

**19. THIRD-PARTY BENEFICIARIES.** This Agreement is solely for the benefit of the District and Contractor and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third-party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and Contractor any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and Contractor and their respective representatives, successors, and assigns.

**20. ASSIGNMENT.** Neither the District nor Contractor may assign this Agreement or any monies to become due hereunder without the prior written approval of the other. Any purported assignment without such written approval shall be void.

**21. CONTROLLING LAW; VENUE.** This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida. The parties agree that venue for any action arising hereunder shall be in a court of appropriate jurisdiction in the County in which the District is located.

**22. PUBLIC RECORDS.** Contractor understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records, and, accordingly, Contractor agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to section 119.0701, *Florida Statutes*. Contractor acknowledges that the designated public records custodian for the District is the District's Manager ("**Public Records Custodian**"). Among other requirements and to the extent applicable by law, Contractor shall 1) keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes*; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if Contractor does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the contract, transfer to the District, at no cost, all public records in Contractor's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by Contractor, Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District in a format that is compatible with Microsoft Word or Adobe PDF formats.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, *FLORIDA STATUTES*, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS, C/O GOVERNMENTAL MANAGEMENT SERVICES, 5385 N NOB HILL RD, SUNRISE FLORIDA, 33351**

**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. HEADINGS.** The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

**25. NEGOTIATIONS AT ARM'S LENGTH.** This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement and received, or had the opportunity to receive, 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 any party.

**26. 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 or law, 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.

**27. SCRUTINIZED COMPANIES.** Contractor certifies that it is not in violation of section 287.135, *Florida Statutes*, and is not prohibited from doing business with the District under Florida law, including but not limited to Scrutinized Companies with Activities in Sudan List or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List. If Contractor is found to have submitted a false statement, has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or has been engaged in business operations in Cuba or Syria, or is now or in the future on the Scrutinized Companies that Boycott Israel List, or engaged in a boycott of Israel, the District may immediately terminate this Agreement.

**28. E-VERIFY.** Contractor shall comply with and perform all applicable provisions of Section 448.095, *Florida Statutes*. Accordingly, to the extent required by Florida Statute, Contractor shall register with and use the United States Department of Homeland Security's E-Verify system to verify the work authorization status of all newly hired employees and shall comply with all requirements of Section 448.095, *Florida Statutes*, as to the use of subcontractors. The District may terminate the Agreement immediately for cause if there is a good faith belief that the Contractor has knowingly violated Section 448.091, *Florida Statutes*. By entering into this Agreement, the Contractor represents that no public

employer has terminated a contract with the Contractor under Section 448.095(2)©, *Florida Statutes*, within the year immediately preceding the date of this Agreement.

**29. CONFLICTS.** In the event that there are any conflicts between the terms of this Agreement and its exhibits, the terms of this Agreement shall control.

**30. AUTHORIZATION.** The execution of this Agreement has been duly authorized by the appropriate body or official of both parties hereto, both parties have complied with all the requirements of law, and both parties have full power and authority to comply with the terms and provisions of this Agreement.


**31. E-SIGNATURE; COUNTERPARTS.** This Agreement may be executed by electronic signature, and in any number of counterparts; however, all such counterparts together shall constitute but one and the same instrument.

[CONTINUED ON NEXT PAGE]

IN WITNESS WHEREOF, the parties execute the foregoing Agreement.

**DEVELOPMENT DISTRICT**

**VERANO 1 COMMUNITY**

DocuSigned by:  
  
 By: Max Krupo  
 Its: Chair  
 Date: 2026-01-15

**P.H.L. LAND CARE INC**

*John Fagarass*  
 By: John Fagarass  
 Its: CEO  
 Date: 11/21/2025

- Exhibit A: Proposal
- Exhibit B: Insurance Certificate with Endorsements

**EXHIBIT A: PROPOSAL**

**LANDSCAPE MAINTENANCE PROGRAM**

**I. Turf Grass Mowing**

- a. Mowing schedule based on climate and turf type.
- b. Mowing height to be adjusted based on turf type.
- c. Cuts postponed because of weather to be made up as soon as possible.
- d. Areas too small to mow will be completed with a string trimmer.
- e. All debris created during maintenance operations will be removed and or blown from adjacent surfaces.

# Exhibit A: Scope of Services Times Per Year

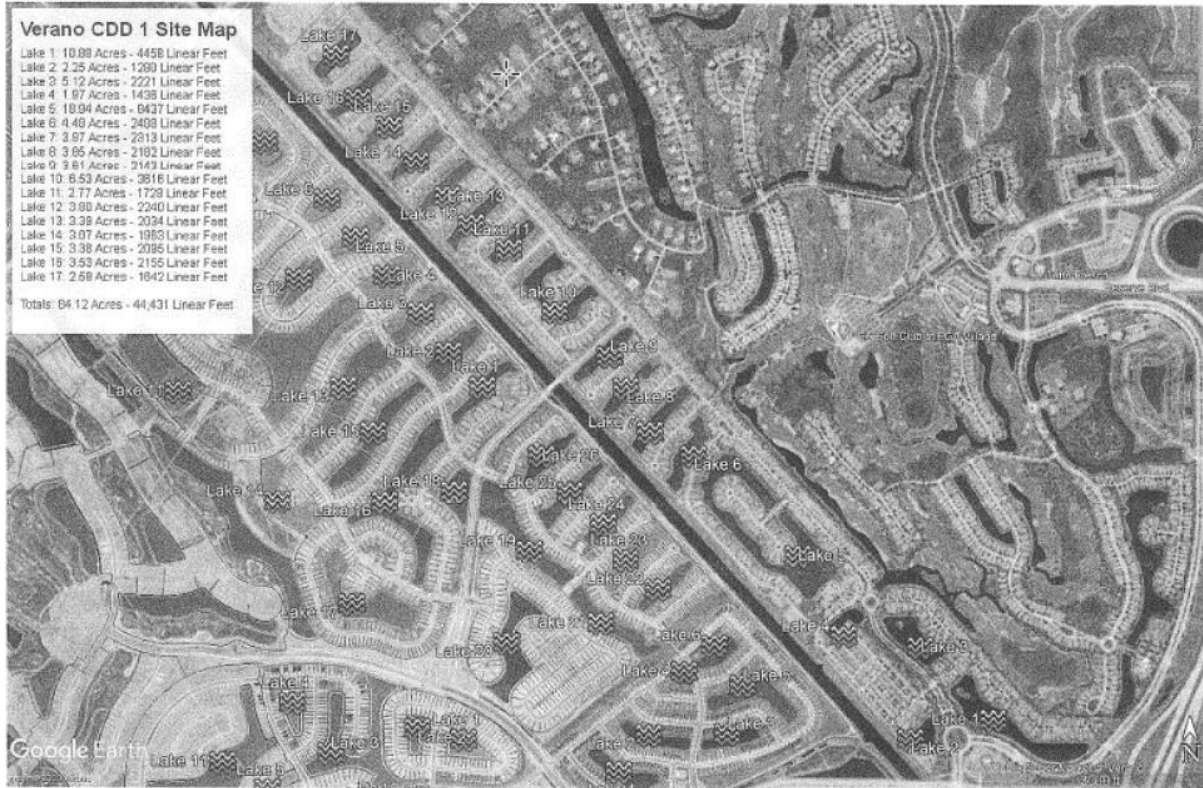
Mowing	26
Line Trimmer/Blowing	26

## Common Area

CDD#1 Lake Banks

\$5131 Per Month

## CDD I Service Area



**EXHIBIT B: CERTIFICATE OF INSURANCE**

**AGREEMENT FOR  
POND LANDSCAPE MAINTENANCE SERVICES AGREEMENT**

**THIS AGREEMENT (“Agreement”)** is made, and entered into, by and between:

**VERANO 1 COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and with a mailing address of c/o 5385 N Nob Hill Road, Sunrise FL 33351 (“**District**”), and

**TOLER ENTERPRISES, INC.**, a Florida Corporation, with a principal address of 16101 SW Kanner HWY, Indiantown, Florida 34956 (“**Contractor**”).

**RECITALS**

**WHEREAS**, the District is a local unit of special-purpose government established pursuant to and governed by Chapter 190 of the *Florida Statutes*; and

**WHEREAS**, the District owns, operates and maintains landscaping areas in and around lakes and ponds (“**Landscape Areas**”); and

**WHEREAS**, the District desires to enter into an agreement with an independent contractor to provide pond landscape maintenance services for the Landscape Areas, as outlined in **Exhibit A** (“**Services**”); and

**WHEREAS**, Contractor represents and warrants that it is qualified to provide such Services and desires to enter into an agreement with the District to provide the Services in accordance with the terms and specifications in this Agreement and **Exhibit A**.

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

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

**2. SERVICES.** The Contractor agrees to provide the Services outlined in **Exhibit A**. Contractor hereby covenants to the District that it shall perform the services: (i) using its best skill and judgment and in accordance with generally accepted professional standards, and (ii) in compliance with all applicable federal, state, county, municipal, building and zoning, land use, environmental, public safety, non-discrimination and disability accessibility laws, codes, ordinances, rules and regulations, permits and approvals (including any permits and approvals relating to water rights), including, without limitation, all professional registration (both corporate and individual) for all required basic disciplines that it shall perform. While providing the Services, the Contractor shall assign such staff as may be required, and such staff shall be responsible for coordinating, expediting, and controlling all aspects to assure completion of the Services. Contractor represents that the Services are sufficient to ensure that the Landscape Areas are being operated in a manner consistent with applicable permits and approvals, if any. Contractor shall solely be responsible for the means, manner and methods by which its duties, obligations and responsibilities are met to the satisfaction of the District. This Agreement grants to Contractor the right

to enter the District property that is the subject of this Agreement, and for those purposes described in this Agreement.

*Additional Work.* The Contractor agrees that the District shall not be liable for the payment of any additional work and/or services unless the District first authorizes the Contractor to perform such additional work and/or services through an authorized and fully executed change order. Nothing herein shall be construed to require the District to use the Contractor for any such additional work and/or services, and the District reserves the right to retain a different contractor to perform any additional work and/or services.

**3. TERM.** Contractor shall provide the Services beginning upon the full execution of this Agreement, and continue through September 30 of the year in which this Agreement becomes effective, unless terminated earlier pursuant to its terms. This Agreement shall automatically renew for one-year periods beginning October 1 (i.e., based on the District's fiscal year), unless terminated pursuant to the terms herein.

**4. COMPENSATION; PAYMENT.** As compensation for the Services described in this Agreement, the District agrees to pay the Contractor the amounts set forth in **Exhibit A**. The Contractor shall maintain records conforming to usual accounting practices. Further, the Contractor agrees to render monthly invoices to the District, in writing, which shall be delivered or mailed to the District by the fifth (5<sup>th</sup>) day of the next succeeding month. Each monthly invoice shall contain, at a minimum, the District's name, the Contractor's name, the invoice date, an invoice number, an itemized listing of all costs billed on the invoice with a description of each sufficient for the District to approve each cost, the time frame within which the services were provided, and the address or bank information to which payment is to be remitted. Consistent with Florida's Prompt Payment Act, Section 218.70 et al. of the Florida Statutes, these monthly invoices are due and payable within forty-five (45) days of receipt by the District.

**5. CARE OF DISTRICT PROPERTY.** Contractor shall use all due care to protect the property of the District, its patrons, landowners and authorized guests from damage by Contractor or its employees or agents. Contractor agrees to repair any damage resulting from the Services within twenty-four (24) hours. Any such repairs shall be at Contractor's sole expense, unless otherwise agreed, in writing, by the District.

**6. COMPLIANCE WITH LAW.** In providing the Services, Contractor shall comply with all applicable laws, rules, and regulations, including but not limited to all orders or requirements affecting the District property placed thereon by any governmental authority having jurisdiction.

**7. PERMITS AND LICENSES.** All other permits or licenses necessary for the Contractor to perform under this Agreement shall be obtained and paid for by the Contractor.

**8. WARRANTY AND COVENANT.** The Contractor warrants to the District that all materials furnished under this Agreement shall be new, and that all services and materials shall be of good quality, free from faults and defects. The Contractor hereby warrants any materials and services for a period of one (1) year after acceptance by the District or longer as required under Florida law. With respect to any and all plant material provided pursuant to this Agreement or any separate work authorization issued hereunder, all plant material shall be guaranteed to be in a satisfactory growing condition and to live for a period of one (1) year from planting except for annuals, which will be replaced seasonally. All plants that fail to survive under the guarantee shall be replaced as they fail with the same type and size as originally

specified. Contractor further warrants to the District those warranties which Contractor otherwise warrants to others and the duration of such warranties is as provided by Florida law unless longer guarantees or warranties are provided for elsewhere in the Agreement (in which case the longer periods of time shall prevail). Contractor shall replace or repair warranted items to the District's satisfaction and in the District's discretion. Neither final acceptance of the services, nor monthly or final payment therefore, nor any provision of the Agreement shall relieve Contractor of responsibility for defective or deficient materials or services. If any of the services or materials are found to be defective, deficient or not in accordance with the Agreement, Contractor shall correct remove and replace it promptly after receipt of a written notice from the District and correct and pay for any other damage resulting therefrom to District property or the property of landowners within the District. Contractor hereby certifies it is receiving the property in its as-is condition and has thoroughly inspected the property and addressed any present deficiencies, if any, with the District. Contractor shall be responsible for maintaining and warranting all plant material maintained by Contractor as of the first date of the services.

**9. ACCIDENTS/CLAIMS.** Contractor shall promptly and in no event within more than seventy-two (72) hours provide a written report as to all accidents, injuries or claims for damage relating to the Amenity Landscape Areas or related to the Services, including any damage or destruction of property, and shall cooperate and make any and all reports required by any insurance company, law enforcement agency or the District in connection therewith, unless the District's Board of Supervisors ("**Board**") expressly directs Contractor otherwise, in writing.

**10. INDEPENDENT CONTRACTOR.** In all matters relating to this Agreement, Contractor shall be acting as an independent contractor. Neither Contractor nor employees of Contractor are employees of the District under the meaning or application of any Federal or State Unemployment or Insurance Laws or otherwise. Contractor agrees to assume all liabilities or obligations imposed by any one or more of such laws with respect to employees of Contractor, if any, in the performance of this Agreement. Contractor shall not have any authority to assume or create any obligation, express or implied, on behalf of the District and Contractor shall have no authority to represent the District as an agent, employee, or in any other capacity, unless otherwise set forth in this Agreement.

**11. TERMINATION.** The District shall have the right to terminate this Agreement immediately upon written notice for cause, or upon thirty (30) days' written notice without cause. Contractor shall have the right to terminate this Agreement upon sixty (60) days' written notice to the District. In the event either party terminates this Agreement, Contractor's sole remedy shall be to recover the balance of money due and owing to it at the effective date of termination for the work actually performed up to that date, subject to any off-sets the District might have against Contractor.

**12. INSURANCE.** Contractor shall maintain throughout the term of this Agreement the insurance listed in **Exhibit B**. The District, its staff, consultants and supervisors shall be named as additional insured. The Contractor shall furnish the District with the Certificate of Insurance evidencing compliance with this requirement. No certificate shall be acceptable to the District unless it provides that any change or termination within the policy periods of the insurance coverage, as certified, shall not be effective within thirty (30) days of prior written notice to the District. Insurance coverage shall be from a reputable insurance carrier, licensed to conduct business in the State of Florida.

**13. INDEMNIFICATION.** Contractor agrees to defend, indemnify, and hold harmless the District and its officers, agents, employees, successors, assigns, members, affiliates, or representatives from any and all liability, claims, actions, suits, liens, demands, costs, interest, expenses, damages,

penalties, fines, judgments against the District, or loss or damage, whether monetary or otherwise, arising out of, wholly or in part by, or in connection with the Services to be performed by Contractor, its subcontractors, its employees and agents in connection with this Agreement, including litigation, mediation, arbitration, appellate, or settlement proceedings with respect thereto. Additionally, nothing in this Agreement requires Contractor to indemnify the District for the District's percentage of fault if the District is adjudged to be more than 50% at fault for any claims against the District and Contractor as jointly liable parties; however, Contractor shall indemnify the District for any and all percentages of fault attributable to Contractor for claims against the District, regardless of whether the District is adjudged to be more or less than 50% at fault. Contractor further agrees that nothing herein shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, *Florida Statutes*, or other statute. Obligations under this section shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, fines, forfeitures, back pay awards, court costs, arbitration and/or mediation costs, litigation expenses, attorneys' fees, paralegal fees (incurred in court, out of court, on appeal, or in bankruptcy proceedings), any interest accrued against the District, all as actually incurred. The indemnification rights herein contained shall be cumulative of, and in addition to, any and all rights, remedies and recourse to which the District shall be entitled, whether pursuant to some other provision of this Agreement, at law, or in equity. The provisions of this Section shall survive the termination or expiration of this Agreement.

**14. DEFAULT; THIRD-PARTY INTERFERENCE.** A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages, injunctive relief, and/or specific performance. The District shall be solely responsible for enforcing its rights under this Agreement against any interfering third-party. Nothing contained herein shall limit or impair the District's right to protect its rights from interference by a third-party to this Agreement.

**15. ATTORNEY'S FEES.** In the event that either the District or Contractor is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party shall be entitled to recover all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

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

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

**18. NOTICES.** All notices, requests, consents, and other communications under this Agreement ("**Notices**") shall be in writing and shall be delivered, mailed by Overnight Delivery or First Class Mail, postage prepaid, to the parties, at the addresses first listed above. Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for Contractor may deliver Notice on behalf of the District and Contractor. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices

shall be sent by providing the same on five (5) days' written notice to the parties and addressees set forth herein.

**19. THIRD-PARTY BENEFICIARIES.** This Agreement is solely for the benefit of the District and Contractor and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third-party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and Contractor any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and Contractor and their respective representatives, successors, and assigns.

**20. ASSIGNMENT.** Neither the District nor Contractor may assign this Agreement or any monies to become due hereunder without the prior written approval of the other. Any purported assignment without such written approval shall be void.

**21. CONTROLLING LAW; VENUE.** This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida. The parties agree that venue for any action arising hereunder shall be in a court of appropriate jurisdiction in the County in which the District is located.

**22. PUBLIC RECORDS.** Contractor understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records, and, accordingly, Contractor agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to section 119.0701, *Florida Statutes*. Contractor acknowledges that the designated public records custodian for the District is the District's Manager ("**Public Records Custodian**"). Among other requirements and to the extent applicable by law, Contractor shall 1) keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes*; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if Contractor does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the contract, transfer to the District, at no cost, all public records in Contractor's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by Contractor, Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District in a format that is compatible with Microsoft Word or Adobe PDF formats.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, *FLORIDA STATUTES*, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS, C/O GOVERNMENTAL MANAGEMENT SERVICES, 5385 N NOB HILL RD, SUNRISE FLORIDA, 33351**

**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. HEADINGS.** The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

**25. NEGOTIATIONS AT ARM'S LENGTH.** This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement and received, or had the opportunity to receive, 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 any party.

**26. 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 or law, 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.

**27. SCRUTINIZED COMPANIES.** Contractor certifies that it is not in violation of section 287.135, *Florida Statutes*, and is not prohibited from doing business with the District under Florida law, including but not limited to Scrutinized Companies with Activities in Sudan List or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List. If Contractor is found to have submitted a false statement, has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or has been engaged in business operations in Cuba or Syria, or is now or in the future on the Scrutinized Companies that Boycott Israel List, or engaged in a boycott of Israel, the District may immediately terminate this Agreement.

**28. E-VERIFY.** Contractor shall comply with and perform all applicable provisions of Section 448.095, *Florida Statutes*. Accordingly, to the extent required by Florida Statute, Contractor shall register with and use the United States Department of Homeland Security's E-Verify system to verify the work authorization status of all newly hired employees and shall comply with all requirements of Section 448.095, *Florida Statutes*, as to the use of subcontractors. The District may terminate the Agreement immediately for cause if there is a good faith belief that the Contractor has knowingly violated Section 448.091, *Florida Statutes*. By entering into this Agreement, the Contractor represents that no public employer has terminated a contract with the Contractor under Section 448.095(2)©, *Florida Statutes*, within the year immediately preceding the date of this Agreement.

**29. CONFLICTS.** In the event that there are any conflicts between the terms of this Agreement and its exhibits, the terms of this Agreement shall control.

**30. AUTHORIZATION.** The execution of this Agreement has been duly authorized by the appropriate body or official of both parties hereto, both parties have complied with all the requirements of law, and both parties have full power and authority to comply with the terms and provisions of this Agreement

**31. E-SIGNATURE; COUNTERPARTS.** This Agreement may be executed by electronic signature, and in any number of counterparts; however, all such counterparts together shall constitute but one and the same instrument.

[CONTINUED ON NEXT PAGE]

**IN WITNESS WHEREOF**, the parties execute the foregoing Agreement.

**VERANO 1 COMMUNITY  
DEVELOPMENT DISTRICT**

DocuSigned by:

*Max Krupo*

1E7805E125E3425...  
By: Max Krupo

Its: Chair

Date: 2026-01-15

**TOLER ENTERPRISES, INC.**

DocuSigned by:

*Chester Toler*

3D34B92D12344AA...  
By: Chester Toler

Its: President

Date: 2026-01-15

**Exhibit A:** Proposal  
**Exhibit B:** Insurance Certificate with Endorsements

**EXHIBIT A: PROPOSAL**

**Our quote to do mowing services for the North side C-24 from Crosstown Commons to FPL utility lines is:**

**Bi-Monthly- \$1250**

**EXHIBIT B: CERTIFICATE OF INSURANCE**

**VERANO #1  
COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2025**

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Verano #1 Community Development District  
City of Port St. Lucie, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Verano #1 Community Development District, City of Port St. Lucie, Florida ("District") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information Included in the Financial Report***

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c) but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 4, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Verano #1 Community Development District, City of Port St. Lucie, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$8,739,648).
- The change in the District's total net position in comparison with the prior fiscal year was \$467,557, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2025, the District's governmental funds reported combined ending fund balances of \$1,403,420, an increase of \$87,575 in comparison with the prior fiscal year. A portion of the total fund balance is restricted for debt service, non-spendable for prepaid items, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance and operations function.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, both of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION SEPTEMBER 30,	
	2025	2024
Current and other assets	\$ 1,403,420	\$ 1,315,845
Capital assets, net of depreciation	2,768,825	2,943,013
Total assets	<u>4,172,245</u>	<u>4,258,858</u>
Current liabilities	247,146	256,461
Long-term liabilities	12,664,747	13,209,602
Total liabilities	<u>12,911,893</u>	<u>13,466,063</u>
Net position		
Net investment in capital assets	(9,895,922)	(10,266,589)
Restricted	1,143,396	1,049,474
Unrestricted	12,878	9,910
Total net position	<u>\$ (8,739,648)</u>	<u>\$ (9,207,205)</u>

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations and depreciation expense.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION		
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2025	2024
Revenues:		
Program revenues		
Charges for services	\$ 1,214,282	\$ 1,199,482
Operating grants and contributions	65,175	73,915
Total revenues	<u>1,279,457</u>	<u>1,273,397</u>
Expenses:		
General government	31,038	31,202
Maintenance and operations	174,188	174,188
Interest	606,674	628,135
Total expenses	<u>811,900</u>	<u>833,525</u>
Change in net position	467,557	439,872
Net position - beginning	<u>(9,207,205)</u>	<u>(9,647,077)</u>
Net position - ending	<u>\$ (8,739,648)</u>	<u>\$ (9,207,205)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2025 was \$811,900. The costs of the District's activities were paid by program revenues. As in the prior fiscal year, program revenues are comprised primarily of assessments. The remainder of the current fiscal year revenue includes interest revenue. The majority of the decrease in expenses is attributed to a decrease in interest expense.

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budgeted amounts, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2025, the District had \$3,464,950 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$696,125 has been taken, which resulted in a net book value of \$2,768,825. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2025, the District had \$12,740,000 in Bonds outstanding. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Verano #1 Community Development District's Finance Department at 5385 N. Nob Hill Road, Sunrise, Florida, 33351.

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2025**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 6,178
Prepaid items	6,700
Restricted assets:	
Investments	1,390,542
Capital assets	
Depreciable, net	2,768,825
Total assets	4,172,245
 <b>LIABILITIES</b>	
Accrued interest payable	247,146
Non-current liabilities:	
Due within one year	565,000
Due in more than one year	12,099,747
Total liabilities	12,911,893
 <b>NET POSITION</b>	
Net investment in capital assets	(9,895,922)
Restricted for debt service	1,143,396
Unrestricted	12,878
Total net position	\$ (8,739,648)

See notes to the financial statements

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Primary government:				
Governmental activities:				
General government	\$ 31,038	\$ 34,006	\$ -	\$ 2,968
Maintenance and operations	174,188	-	-	(174,188)
Interest on long-term debt	606,674	1,180,276	65,175	638,777
Total governmental activities	<u>811,900</u>	<u>1,214,282</u>	<u>65,175</u>	<u>467,557</u>
		Change in net position		<u>467,557</u>
		Net position - beginning		<u>(9,207,205)</u>
		Net position - ending		<u>\$ (8,739,648)</u>

See notes to the financial statements

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025**

	Major Funds		Total Governmental Funds
	General	Debt Service	
<b>ASSETS</b>			
Cash	\$ 6,178	\$ -	\$ 6,178
Investments	-	1,390,542	1,390,542
Prepaid items	6,700	-	6,700
Total assets	<u>\$ 12,878</u>	<u>\$ 1,390,542</u>	<u>\$ 1,403,420</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Nonspendable:			
Prepaid items	6,700	-	6,700
Restricted for:			
Debt service	-	1,390,542	1,390,542
Unassigned	6,178	-	6,178
Total fund balances	<u>12,878</u>	<u>1,390,542</u>	<u>1,403,420</u>
Total liabilities and fund balances	<u>\$ 12,878</u>	<u>\$ 1,390,542</u>	<u>\$ 1,403,420</u>

See notes to the financial statements

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2025**

Fund balance - governmental funds		\$	1,403,420
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.			
Cost of capital assets	3,464,950		
Accumulated depreciation	(696,125)		2,768,825
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.			
Accrued interest payable	(247,146)		
Bonds payable	(12,740,000)		
Unamortized discount	75,253		(12,911,893)
Net position of governmental activities			\$ (8,739,648)

See notes to the financial statements

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Major Funds		Total Governmental Funds
	General	Debt Service	
<b>REVENUES</b>			
Assessments	\$ 34,006	\$ 1,180,276	\$ 1,214,282
Interest	-	65,175	65,175
Total revenues	34,006	1,245,451	1,279,457
<b>EXPENDITURES</b>			
Current:			
General government	31,038	-	31,038
Debt service:			
Principal	-	550,000	550,000
Interest	-	610,844	610,844
Total expenditures	31,038	1,160,844	1,191,882
Excess (deficiency) of revenues over (under) expenditures	2,968	84,607	87,575
Fund balances - beginning	9,910	1,305,935	1,315,845
Fund balances - ending	\$ 12,878	\$ 1,390,542	\$ 1,403,420

See notes to the financial statements

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Net change in fund balances - total governmental funds	\$	87,575
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.		(174,188)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		550,000
Amortization of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.		(5,145)
The change in accrued interest on long-term liabilities between the current and prior fiscal years is recorded in the statement of activities, but not in the governmental fund financial statements.		9,315
Change in net position of governmental activities	\$	467,557

See notes to the financial statements

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Verano #1 Community Development District ("the District") (formerly Montage Reserve #1 Community Development District prior to a name change on February 27, 2006) was created on April 25, 2005 pursuant to Ordinance No. 05-18 enacted by the City Commission of the City of Port St. Lucie, Florida, under the "Uniform Community Development District Act of 1980", otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue Bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by qualified electors within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. (Operating-type special assessments for maintenance and debt service are treated as charges for services.); and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

### **Assessments**

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually at a public hearing of the District. Debt Service Assessments are levied when Bonds are issued and assessed and collected on an annual basis. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the Bond documents.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

### **General Fund**

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

### **Debt Service Fund**

The debt service funds are used to account for the accumulation of resources for the annual payment of principal and interest on debt.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity**

#### Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

#### Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

#### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. The infrastructure is being depreciated over a 20 year life.

#### Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Position or Equity (Continued)

#### Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

#### Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Other Disclosures

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

## NOTE 4 – DEPOSITS AND INVESTMENTS

### Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

### Investments

The District's investments were held as follows at September 30, 2025:

	<u>Amortized Cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
First American Government Obligations Fund Class Z	\$ 1,390,542	S&P AAAM	Weighted average of the fund portfolio: 45 days
	<u>\$ 1,390,542</u>		

*Credit risk* – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

*Concentration risk* – The District places no limit on the amount the District may invest in any one issuer.

*Interest rate risk* – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indentures limit the type of investments held using unspent proceeds.

## NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

### Investments (Continued)

*Fair Value Measurement* – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

## NOTE 5 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, being depreciated				
Infrastructure - stormwater	\$ 3,464,950	\$ -	\$ -	\$ 3,464,950
Total capital assets, being depreciated	<u>3,464,950</u>	<u>-</u>	<u>-</u>	<u>3,464,950</u>
Less accumulated depreciation for:				
Infrastructure - stormwater	521,937	174,188	-	696,125
Total accumulated depreciation	<u>521,937</u>	<u>174,188</u>	<u>-</u>	<u>696,125</u>
Total capital assets, being depreciated, net	<u>2,943,013</u>	<u>(174,188)</u>	<u>-</u>	<u>2,768,825</u>
Governmental activities capital assets	<u>\$ 2,943,013</u>	<u>\$ (174,188)</u>	<u>\$ -</u>	<u>\$ 2,768,825</u>

Depreciation was charged to maintenance and operations.

## NOTE 6 – LONG TERM LIABILITIES

### Series 2015

On June 30, 2015, the District issued \$8,035,000 of Special Assessment Bonds, Series 2015 consisting of \$1,325,000 Term Bonds Series 2015 due on November 1, 2025 with a fixed interest rate of 4.75%, \$2,335,000 Term Bonds Series 2015 due on November 1, 2035 with a fixed interest rate of 5.125%, and \$4,375,000 Term Bonds Series 2015 due in November 1, 2046 with a fixed interest rate of 5.25%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing November 1, 2017 through November 1, 2046.

The Series 2015 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

## NOTE 6 – LONG TERM LIABILITIES (Continued)

### Series 2015 (Continued)

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with those requirements of the Bond Indenture at September 30, 2025.

### Series 2017

On May 3, 2017, the District issued \$8,160,000 of Special Assessment Refunding Bonds Series 2017 A-1 due May 1, 2037, and \$555,000 of Special Assessment Refunding Bonds Series 2017 A-2 due May 1, 2037, with interest rates ranging from 4% to 5%. The Bonds were issued to currently refund all of Verano Center CDD's outstanding Special Assessment Bonds, Series 2006A (the "Refunded Bonds"), pursuant to the interlocal agreement. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2018 through May 1, 2037.

The Series 2017 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. For the Series 2017 A-1 Bonds, this occurred during the current fiscal year as the District prepaid \$10,000 of the Bonds.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2025.

### Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2025 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2015	\$ 6,990,000	\$ -	\$ 165,000	\$ 6,825,000	\$ 175,000
Series 2017 A-1	5,930,000	-	365,000	5,565,000	370,000
Series 2017 A-2	370,000	-	20,000	350,000	20,000
Less: discount	80,398	-	5,145	75,253	-
Total	<u>\$ 13,209,602</u>	<u>\$ -</u>	<u>\$ 544,855</u>	<u>\$ 12,664,747</u>	<u>\$ 565,000</u>

At September 30, 2025, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2026	\$ 565,000	\$ 588,995	\$ 1,153,995
2027	595,000	565,735	1,160,735
2028	615,000	539,537	1,154,537
2029	640,000	512,294	1,152,294
2030	665,000	483,938	1,148,938
2031-2035	3,840,000	1,945,263	5,785,263
2036-2040	2,780,000	1,087,866	3,867,866
2041-2045	2,055,000	539,306	2,594,306
2046-2047	985,000	52,369	1,037,369
Total	<u>\$ 12,740,000</u>	<u>\$ 6,315,303</u>	<u>\$ 19,055,303</u>

## **NOTE 7 – RELATED PARTY TRANSACTIONS**

The District is part of the Verano Community Development Districts which is a combination of six separate community development districts. To facilitate the financing, construction, acquisition, operation, and maintenance of community-wide infrastructure and District-specific infrastructure for the mixed-use development of regional impact currently encompassing all of the lands located within the District and to better assure compliance with the development order pertaining to the Verano Community Development Districts as it relates to such infrastructure, the Districts have entered into a District Interlocal Agreement. Verano Center and Verano Districts # 1 - 5 (“Verano Districts”) have delegated to Verano #5 Community Development District (“Verano #5”), among other things, the power and authority to act on behalf of all the Verano Districts to finance, acquire, construct, operate, and maintain community infrastructure benefiting only the property within a single District, such as Community Infrastructure and District Infrastructure collectively referred to as Public Infrastructure. The interlocal agreement originally named Verano Center as the administrative District. During the fiscal year ended September 30, 2019, the Interlocal Agreement was amended to transfer administrative responsibilities from Verano Center to Verano #5. The interlocal agreement allows for any of the Verano Districts to become the issuer to finance the public infrastructure. Verano #5 would act as the administrative entity on behalf of all of the Districts but would no longer issue any debt.

## **NOTE 8 – MANAGEMENT AGREEMENTS**

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

The Verano Districts have also entered into an Inter-local Agreement to provide maintenance of stormwater management for Verano Districts with the City of Port St. Lucie (“City”). Maintenance of the storm water system shall include, but is not limited to: maintenance of swales, conveyance channels, and waterways to ensure proper functioning; maintenance of berms and drainage way to ensure structural integrity; and the operation and maintenance of storm water control structures. The City agrees to pay the Verano Districts a sum equal to 75% of the stormwater utility fees collected by the City from within the District area (as defined in the agreement). This agreement shall run in perpetuity; however, each party has the right to terminate the agreement, with or without cause, by written notice sent six months prior to such termination.

During a prior year, the Inter-local agreement was amended and restated. The amended agreement specifies that Verano #5 will be responsible for maintenance of the storm water systems within the Verano Districts. The City will now remit 75% of the stormwater utility fees collected to Verano #5.

## **NOTE 9 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District is covered by commercial insurance obtained by the Center District from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts <u>Original &amp; Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Assessments	\$ 34,006	\$ 34,006	\$ -
Total revenues	<u>34,006</u>	<u>34,006</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
General government	34,006	31,038	2,968
Total expenditures	<u>34,006</u>	<u>31,038</u>	<u>2,968</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	2,968	<u>\$ 2,968</u>
Fund balance - beginning		<u>9,910</u>	
Fund balance - ending		<u>\$ 12,878</u>	

See notes to required supplementary information

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

**VERANO #1 COMMUNITY DEVELOPMENT DISTRICT  
CITY OF PORT ST. LUCIE, FLORIDA  
OTHER INFORMATION – DATA ELEMENTS  
REQUIRED BY FL STATUTE 218.39(3)(C)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025  
UNAUDITED**

Element	Comments																																								
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	0																																								
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	2																																								
Employee compensation	\$4,800																																								
Independent contractor compensation	\$25,844																																								
Construction projects to begin on or after October 1, (\$65,000)	Not applicable																																								
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund																																								
Non Ad valorem special assessments: Special assessment rate	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Operation and Maintenance</td> </tr> <tr> <td style="padding-left: 20px;">40's</td> <td style="text-align: right;">\$136.70</td> </tr> <tr> <td style="padding-left: 20px;">50's</td> <td style="text-align: right;">\$157.21</td> </tr> <tr> <td style="padding-left: 20px;">60's</td> <td style="text-align: right;">\$181.81</td> </tr> <tr> <td style="padding-left: 20px;">Manor/Duplex</td> <td style="text-align: right;">\$121.66</td> </tr> <tr> <td style="padding-left: 20px;">Commercial (Future)</td> <td style="text-align: right;">\$0.11</td> </tr> <tr> <td style="padding-left: 20px;">Clubhouse</td> <td style="text-align: right;">\$0.10</td> </tr> <tr> <td colspan="2">Debt Service Series 2015</td> </tr> <tr> <td style="padding-left: 20px;">40's</td> <td style="text-align: right;">\$1,175.00</td> </tr> <tr> <td style="padding-left: 20px;">50's</td> <td style="text-align: right;">\$1,355.00</td> </tr> <tr> <td style="padding-left: 20px;">60's</td> <td style="text-align: right;">\$1,564.00</td> </tr> <tr> <td style="padding-left: 20px;">Manor/Duplex</td> <td style="text-align: right;">\$1,053.00</td> </tr> <tr> <td colspan="2">Debt Service Series 2017</td> </tr> <tr> <td style="padding-left: 20px;">40's</td> <td style="text-align: right;">\$1,033.00</td> </tr> <tr> <td style="padding-left: 20px;">50's</td> <td style="text-align: right;">\$1,192.00</td> </tr> <tr> <td style="padding-left: 20px;">60's</td> <td style="text-align: right;">\$1,376.00</td> </tr> <tr> <td style="padding-left: 20px;">Manor/Duplex</td> <td style="text-align: right;">\$917.00</td> </tr> <tr> <td style="padding-left: 20px;">Commercial (Future)</td> <td style="text-align: right;">\$0.87</td> </tr> <tr> <td style="padding-left: 20px;">Commercial</td> <td style="text-align: right;">\$0.80</td> </tr> <tr> <td style="padding-left: 20px;">Clubhouse</td> <td style="text-align: right;">\$0.82</td> </tr> </table>	Operation and Maintenance		40's	\$136.70	50's	\$157.21	60's	\$181.81	Manor/Duplex	\$121.66	Commercial (Future)	\$0.11	Clubhouse	\$0.10	Debt Service Series 2015		40's	\$1,175.00	50's	\$1,355.00	60's	\$1,564.00	Manor/Duplex	\$1,053.00	Debt Service Series 2017		40's	\$1,033.00	50's	\$1,192.00	60's	\$1,376.00	Manor/Duplex	\$917.00	Commercial (Future)	\$0.87	Commercial	\$0.80	Clubhouse	\$0.82
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Series 2017A-1 due May 1, 2037, see Note 6 for details	\$5,565,000																																								
Series 2017A-2 due May 1, 2037, see Note 6 for details	\$350,000																																								



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
Verano #1 Community Development District  
City of Port St. Lucie, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Verano #1 Community Development District, City of Port St. Lucie, Florida ("District") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon December 4, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 4, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors  
Verano #1 Community Development District  
City of Port St. Lucie, Florida

We have examined Verano #1 Community Development District, City of Port St. Lucie, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2025. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Verano #1 Community Development District, City of Port St. Lucie, Florida and is not intended to be and should not be used by anyone other than these specified parties.

December 4, 2025



**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors  
Verano #1 Community Development District  
City of Port St. Lucie, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Verano #1 Community Development District, City of Port St. Lucie, Florida ("District") as of and for the fiscal year ended September 30, 2025 and have issued our report thereon dated December 4, 2025.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 4, 2025, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Verano #1 Community Development District, City of Port St. Lucie, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Verano #1 Community Development District, St Lucie County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

December 4, 2025

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

### III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2025.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.
7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 23.

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Verano CDD

From: Brandon Ulmer, PE

Date April 22, 2026

Lake Erosion Field Report Site visit: April 13, 2026 (prior to regular CDD meeting)

Attendees: Mr. Frank Duci, [Office Representative(s)]

Scope: Inspect and document localized lake-edge washouts and erosion-prone discharge locations; provide findings and prioritized corrective recommendations for each affected lake area. Photographs referenced: Photo A, Photo B, Photo C.



Photo A

Photo B

Photo C

**Summary** Several isolated but recurring lake-edge washouts were observed. Washouts exceeding a 12-inch vertical drop require immediate repair to stop further loss of bank material and to protect adjacent property and stormwater systems. The pattern indicates concentrated point-source discharges (roof drains) and sheet-flow channeling from berms/open spaces are primary causes. Repairs should be completed on a lake-by-lake basis, prioritized by severity and risk to infrastructure or property.

**Field Observations (by photo/location)**

- Photo A: Concentrated channeling from a berm/open space into the lake. Evident scouring and exposed soil; existing vegetation patchy. Flow path directs runoff to a small, vertically undermined edge.

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- Photo B: Multiple shallow channels converging toward a single low point at the lake edge; sod sloughing and localized undercutting present.
- Photo C: Roof-drain discharge area with a focused scour hole at the outlet; drop-off exceeds 12". Nearby turf destabilized; minimal root reinforcement visible.

## Additional patterns noted

- Roof-drain outlets between specific lots are repeatedly creating point-source, high-velocity flows that erode the bank.
- Berms and open green spaces in several locations act as flow concentrators, forming defined rills/trenches that route runoff directly to the lake.
- Vegetative cover in many areas is insufficient to prevent concentrated flow erosion during moderate to heavy rain events.

## Immediate actions (within 30 days)

- Repair all washouts with vertical drop >12": place fill, install separation/geotextile fabric, re-sod and stake sod in place. Install temporary silt fence downslope of repairs until sod is fully established (recommended minimum 4–6 weeks under normal growing conditions).
- Temporarily divert concentrated flows away from exposed edges during repairs (sandbag checks or temporary energy dissipators at drain outlets).

## Recommendations (options, with steps & expected outcomes) Option 1 — Standard reconstruction (short-term, low cost)

- Scope: Reconstruct eroded areas with compacted fill, non-woven geotextile fabric, topsoil, and sod.
- Steps: Excavate unstable soil to stable subgrade; place geotextile fabric; install compacted structural fill; cap with 4–6" topsoil; install sod, peg/staple sod at edges; install silt fence until full turf establishment.
- Outcome: Restores function and appearance; moderate durability if concentrated flows are controlled.

## Option 2 — Roof-drain outlet extension (source-control)

- Scope: Extend problematic roof-drain downspouts to the lake edge using buried PVC pipes or rigid conduit, terminating at a stabilized outlet near the lake.

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- Steps: Survey and document each impacted drain; install buried PVC to discharge at lake edge; at outlet, install riprap pad or energy-dissipating stone apron (and/or geotextile underlayer) to reduce velocity; reconstruct bank as Option 1.
- Outcome: Eliminates concentrated point-source erosion upslope; reduces recurrence and frequency of repairs. Moderate cost, higher durability.

## Option 3 — Sheet-flow conversion with berms/level spreaders (hydrologic regrading)

- Scope: Construct small berms, level spreaders, or shallow swales to convert concentrated channel flow to uniform sheet flow across a vegetated buffer before reaching the lake.
- Steps: Identify flow paths; install low-profile earthen berms, graded transition pads, or vegetated level spreaders; revegetate with native deep-rooting grasses; construct backup stone check dams where needed; reconstruct bank as needed.
- Outcome: Reduces flow velocity and erosive potential; promotes infiltration and sediment deposition. Best for areas with sufficient buffer width; may require occasional maintenance.

## Option 4 — Geotextile/engineered stabilization trial (site-specific)

- Scope: Pilot use of erosion-control products (coir rolls, engineered turf reinforcement mats (TRMs), articulated concrete mats, or biodegradable geogrids) in selected problem sites to assess feasibility and cost-effectiveness.
- Steps: Select 2–3 representative sites (varying slope, flow intensity); install different products per manufacturer specs; monitor for one full wet season; document performance, establishment times, and maintenance needs.
- Outcome: Provides data to guide product selection for long-term stabilization at similar sites; may reduce long-term maintenance if successful.

## Prioritization & implementation plan

- Priority 1 (Immediate): All locations with >12" vertical washout (stabilize now). Photo C and similar drains.
- Priority 2 (Short-term, 1–3 months): Locations with active channel formation from berms/open spaces (Photos A & B). Implement Options 1 + 2 or Option 3 depending on site constraints.

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- Priority 3 (3–12 months): Trial and evaluate geotextile/engineered solutions (Option 4) on representative sites; incorporate findings into larger rehabilitation plans.

## Materials & typical specifications

- Geotextile: Non-woven, puncture-resistant separation fabric (minimum 6 oz/yd<sup>2</sup> or manufacturer equivalent).
- Sod/topsoil: 4–6" screened topsoil cap; sod installed immediately and pegged/staked at seams and edges.
- Fill: Compacted structural fill to stable subgrade; avoid uncompacted organic matter.
- Outlet stabilization: 6–12" diameter PVC for drain extensions; riprap (graded stone apron) sized per expected flow energy; stone underlain with geotextile.
- Temporary controls: Silt fence (staked), sediment logs or wattles, sandbags for temporary diversion.
- Vegetation: Native, deep-rooted grasses and lake-appropriate emergent planting in toe zones where feasible.

## Estimated maintenance & monitoring

- Inspect repaired sites after each significant storm for 30–60 days; then monthly for first year.
- Replace/repair any silt fence or sod failures within 7 days of discovery.
- Re-seed or re-sod thin areas in first growing season.
- Evaluate roof-drain extensions annually and after major storms; clear any blockages.

## Cost considerations (order-of-magnitude)

- Option 1: Low-to-moderate unit cost per site (materials + labor for fill, fabric, sod, silt fence).
- Option 2: Moderate cost (pipe installation + outlet stabilization) but reduces recurring repair frequency.
- Option 3: Moderate cost (earthworks + revegetation), depends on volume of grading.

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- Option 4: Variable—initial pilot costs higher per linear foot, but potential long-term savings if products perform well. (Provide contractor quotes for accurate budgeting.)

## Safety & regulatory notes

- Work within the lake buffer may require permitting (city/county or state environmental agencies). Confirm jurisdictional requirements and wetland permits prior to in-water work.
- Minimize turbidity during construction; use silt barriers and schedule work during low-flow periods where possible.
- Ensure safe access for equipment and protect adjacent private property and utilities.

## Recommended next steps

1. Prioritize immediate repairs for all >12" washouts (contractor mobilization recommended within 14 days).
2. Inventory and map all roof-drain discharge locations and high-risk berm/channel paths; produce a site-specific plan for each lake.
3. Select approach per site: Option 2 where concentrated drains exist; Option 3 where regrading/level spreaders are practical; Option 1 for standard reconstruction; pilot Option 4 in 2–3 varied locations.
4. Obtain necessary permits and solicit competitive contractor estimates for prioritized repairs and drainage modifications.
5. Implement repairs and establish a monitoring schedule for the first 12 months; record outcomes to inform future, larger-scale projects.

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## Suggested Repair methods for First Priority Items:

Project: Immediate stabilization of lake-edge washouts (>12" vertical drop) Site visit: April 13, 2026 Mobilization window: Within 14 days of award

Repair Scope (work to be completed at each identified washout)

### 1. Site preparation

- Flag limits of work and protect adjacent property, turf, utilities. Install temporary construction entrance if required.
- Install turbidity/silt controls downslope of work area (staked silt fence and/or sediment logs) prior to any excavation.

### 2. Remove unstable material

- Excavate and remove undermined/loose soil to stable subgrade. Do not leave organic material in fill zone.

### 3. Stabilize subgrade

- Compact subgrade to firm condition. Place non-woven geotextile fabric over prepared subgrade (overlap seams 12–18").

### 4. Fill and grade

- Place structural fill (clean fill/engineer-approved topsoil blend) in lifts, compacting to 90% Standard Proctor or as directed. Grade to match existing contour and provide a 2:1 or flatter slope where feasible.

### 5. Toe and outlet stabilization (if drain outlet present)

- Install a 6–12" riprap stone apron over geotextile at drain outlets or high-energy discharge locations. Provide energy-dissipating pad per detail.

### 6. Surface finish and revegetation

- Cap with 4–6" screened topsoil. Install sod (sod species to match existing lawn) immediately; stagger seams and firmly stake/peg sod edges and seams using landscape staples at 2–3' spacing. Water and initial maintenance per manufacturer/supplier guidance.

### 7. Temporary erosion controls and establishment

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- Install temporary silt fence downslope of the repaired area and maintain until full turf establishment (min. 4–6 weeks). Remove when vegetation is stable.
  - Re-seed any non-sodded areas with certified erosion-control seed mix and apply mulch tackifier as needed.
1. Inspection and closeout
    - Inspect and repair after the first significant storm event and again at 30 and 60 days. Provide as-built photos and a brief completion report.

## Materials List (per repair site—adjust quantities to site dimensions)

- Silt fence (staked): as required (linear ft)
- Sediment logs / wattles: as required (linear ft)
- Non-woven geotextile fabric: minimum 6 oz/yd<sup>2</sup> (rolls; allow for 12–18" overlaps)
- Structural fill / compactable topsoil: quantity per site (cu. yds.; estimate based on excavation volume)
- Screened topsoil (4–6" cap): quantity per site (cu. yds.)
- Sod (matched species): square yards (allow 5–10% extra for waste)
- Landscape staples/pegs: 6" heavy-duty, qty per sod installation (approx. 1 per 2–3 ft)
- Riprap stone (for outlet pads): graded stone, typical apron 3–6 sq. yd.; size and quantity per hydraulic conditions (confirm on site)
- 6–12" PVC pipe (only if minor outlet extensions required): linear ft and fittings as needed (optional, per direction)
- Straw mulch or erosion-control blanket (for seeded areas): as required (sq. ft.)
- Water for initial irrigation (contractor to provide)
- Safety and traffic control items (cones, signage, temporary fencing): as required

## Typical Performance / Specification Notes

- Geotextile: non-woven, puncture-resistant; manufacturer recommended for underlayment beneath stone and fill.

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- Compaction: minimum 90% Standard Proctor for structural fill; document compaction testing if requested.
- Sod installation: immediately lay sod on prepared soil, tamp/roll to remove air pockets, staple/peg edges.
- Outlet riprap: size and thickness selected to dissipate expected flow energy; underlay with geotextile.

## Schedule & Inspection

- Typical duration per small repair: 1–2 days (site prep, fill, sod). Allow curing/establishment monitoring for 4–6 weeks.
- Contractor to notify owner/rep 48 hours prior to mobilization and to schedule post-storm inspections.

## Safety & Cleanup

- Maintain best management practices to control turbidity and sediment. Remove all excess material and temporary control measures upon stabilization.

## Proposal requirements

- Provide line-item pricing: mobilization, erosion control, excavation & disposal, geotextile, fill/topsoil (cu. yd.), sod (sq. yd.), riprap apron, labor, equipment, permit fees (if any), and warranty terms (minimum 12 months recommended).
- Include earliest start date and expected completion per repair location.
- Provide references for similar lake-edge stabilization work.

**From:** Leo Guzman

**Sent:** Wednesday, April 22, 2026 9:29 AM

**To:** Andressa Hinz Philippi; Matthew Hans

**Cc:** Garth Lloyd ; Zachary Goldman ; Steve Carbol Jennifer Bustos-Fitz

**Subject:** Re: Proposed new time: Veranos erosion @ Wed 8 Apr 2026 1pm - 1:30pm (EDT) (Andressa Hinz Philippi)

Hi Matthew,

As requested, please find Steve's recommendations below for the beneficial aquatic plants needed onsite. These are priced between \$4.29 and \$4.62 per plant:

- Golden Canna
- Gulf Coast Spikerush
- Pickerelweed
- Lanceleaf Arrowhead

Once your engineer has determined the specific planting areas and quantities, we can provide a formal proposal.

Please let me know if you need any further information to help the board establish the budget.

Best regards,

Leo Guzman

**From:** Steve Carbol

**Date:** Tuesday, April 21, 2026 at 11:32 AM

**To:** Andressa Hinz Philippi

**Cc:** Leo Guzman

**Subject:** Re: Proposed new time: Veranos erosion @ Wed 8 Apr 2026 1pm - 1:30pm (EDT)  
(Andressa Hinz Philippi)

Hi Andressa,

Last week, Leo asked me to conduct a lake survey of Verano I, which I did on 4/14/26.

These are my notes from the survey:

- It would be beneficial to understand the community's specific goals for littoral plant installations, such as aesthetics, wildlife habitat, erosion control, nutrient control, or areas of special concern

- Although littoral plants are recommended to protect lake shorelines from erosion (and thus homeowners' investments) and algal blooms, I predict that many residents still won't want them behind their homes. Therefore, initial plantings should be concentrated in public areas to demonstrate their look and effect

- I was told that the community is beholden to South Florida Water Management District (SFWMD) for the planting, and SFWMD typically encourages plant diversity with at least five native plant species represented. Also, I question if SFWMD would require biological monitoring and reporting for any installations

If plantings behind homes are desired, I suggest lower-growing and/or attractive flowering species such as spike rush species, Golden Canna, Pickerelweed, Lizard's Tail, Prairie Iris, and Florida Swamp-Lily

- Public areas are appropriate for larger beds and taller species such as Bent Alligator-Flag, bulrush species, and even shrubs and trees such as Buttonbush, cypress species, and Pond Apple

- If the community is interested, I would be happy to conduct an educational video-teleconference or in-person presentation covering littoral plants: their benefits, maintenance, available varieties, and an opportunity to ask me questions about littoral plantings

- Considerations hindering installations include resident disapproval, unsuitable substrate (excessively rocky, sandy, or deep substrate lacking an organic muck layer), high kinetic energy areas with strong wave and wind action that would uproot young plants, cost and budget constraints, and large populations of domestic Muscovy Ducks or Egyptian Geese that would treat newly installed, tender, young plants like a salad bar

- In severe washout areas, identify and remedy the cause of erosion (e.g., poor or broken drainage and irrigation lines, hard runoff areas) before considering plant installations.

- Many areas in the community show great potential to support littoral plant beds

- Next steps are to identify the community's goals and proposed budget, and potentially conduct an educational outreach program and a Q&A session with me.

Please feel free to call or email me to discuss your goals for littoral plantings. I'd also be happy to sched a video teleconference with you, your team, and/or the community board to discuss and to review some basics on littoral plants with a brief presentation and plenty of illustrative photos. Please let me know.

Thanks, Andressa. Have a great day.

Steve

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M: 850-792-3121



[solitudelakemanagement.com](http://solitudelakemanagement.com)

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Steve Carbol  
Senior Biologist/Education Manager  
SOLitude Lake Management  
Cell: 850-792-3121  
[steve.carbol@solitudelake.com](mailto:steve.carbol@solitudelake.com)

Per Florida Statute 190.006(3)(a)2.d., the number of registered voters in the Community Development District(s), based on the previous mapping forwarded by your organization, is provided below as of April 15, 2026.

<b>CDD NAME</b>	<b>REGISTERED VOTERS</b>
Bent Creek	480
Copper Creek	1,056
Creekside	420
Portofino Isles	1,300
Portofino Landings	213
Portofino Shores	788
Reserve	1,275
Veranda Landing	184
River Place	736
Tesoro	446
<b>Verano 1</b>	<b>1,454</b>
Verano 2	2,445
Verano 3	1,376
Verano 4	218
Verano 5	0
Verano Center	12
Waterstone	836

**Verano #1**  
**COMMUNITY DEVELOPMENT DISTRICT**

Check Register

<i>Date</i>	<i>check #'s</i>	<i>Amount</i>
10/1 - 10/31/25	272	\$528.34
11/1 - 11/30/25	273-275	\$3,903.34
12/1 - 12/31/25	276	\$528.34
1/1 - 1/31/26	277	\$528.34
2/1 - 2/28/26	278	\$528.34
3/1 - 3/31/26	279	\$528.34
	<b>TOTAL</b>	<b>\$6,545.04</b>

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #	
10/08/25	00001	10/01/25 244	202510 310-51300-31300		*	459.42		
		OCT 25 - DISSEMINATION						
		10/01/25 244	202510 310-51300-35100		*	68.92		
		OCT 25 - WEBSITE ADMIN						
-----							528.34	000272
							TOTAL FOR BANK A	528.34
							TOTAL FOR REGISTER	528.34

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
11/05/25	00002	10/01/25 92945	202510 310-51300-54000	SPECIAL DISTRICT FEE FY26	*	175.00	
							175.00 000273
----- FLORIDACOMMERCE -----							
11/05/25	00001	11/01/25 246	202511 310-51300-31300	NOV 25 - DISSEMINATION	*	459.42	
		11/01/25 246	202511 310-51300-35100	NOV 25 - WEBSITE ADMIN	*	68.92	
							528.34 000274
----- GOVERNMENTAL MANAGEMENT SERVICES -----							
11/05/25	00006	11/04/25 28252	202511 310-51300-32200	AUDIT FYE 9/30/25	*	3,200.00	
							3,200.00 000275
----- GRAU AND ASSOCIATES -----							
TOTAL FOR BANK A						3,903.34	
TOTAL FOR REGISTER						3,903.34	

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #	
12/10/25	00001	12/01/25 247	202512 310-51300-31300		*	459.42		
		DEC 25 - DISSEMINATION						
		12/01/25 247	202512 310-51300-35100		*	68.92		
		DEC 25 - WEBSITE ADMIN						
-----							528.34	000276
							TOTAL FOR BANK A	528.34
							TOTAL FOR REGISTER	528.34

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #
1/14/26	00001	1/01/26 248	202601 310-51300-31300		*	459.42	
		JAN 26 - DISSEMINATION					
		1/01/26 248	202601 310-51300-35100		*	68.92	
		JAN 26 - WEBSITE ADMIN					
-----							
GOVERNMENTAL MANAGEMENT SERVICES -							528.34 000277
-----							
TOTAL FOR BANK A						528.34	
TOTAL FOR REGISTER						528.34	

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	....CHECK..... AMOUNT #	
2/13/26	00001	2/01/26 249	202602 310-51300-31300		*	459.42		
		FEB 26 -	DISSEMINATION					
		2/01/26 249	202602 310-51300-35100		*	68.92		
		FEB 26 -	WEBSITE ADMIN					
-----							528.34	000278
						TOTAL FOR BANK A	528.34	
						TOTAL FOR REGISTER	528.34	

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #	
3/10/26	00001	3/01/26 250	202603 310-51300-31300		*	459.42		
		MAR 26 - DISSEMINATION						
		3/01/26 250	202603 310-51300-35100		*	68.92		
		MAR 26 - WEBSITE ADMIN						
-----							528.34	000279
						TOTAL FOR BANK A	528.34	
						TOTAL FOR REGISTER	528.34	

***Verano #1***  
***Community Development District***

***Unaudited Financial Reporting***  
***March 31, 2026***



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**Verano #1**  
**Community Development District**  
**Combined Balance Sheet**  
**March 31, 2026**

	<i>General Fund</i>	<i>Debt Service Fund</i>	<i>Totals Governmental Funds</i>
<b>Assets:</b>			
<u>Cash:</u>			
Operating Account	\$ 32,169	\$ -	\$ 32,169
Due from Verano # 5	-	10,513	10,513
<u>Investments:</u>			
<b><u>Series 2015</u></b>			
Reserve	-	325,370	325,370
Revenue	-	592,055	592,055
Redemption	-	1,926	1,926
<b><u>Series 2017</u></b>			
Reserve A1	-	361,663	361,663
Revenue A1/A2	-	725,992	725,992
Prepayment A1	-	2,684	2,684
Reserve A2	-	14,163	14,163
Prepayment A2	-	1,725	1,725
<b>Total Assets</b>	<b>\$ 32,169</b>	<b>\$ 2,036,092</b>	<b>\$ 2,068,262</b>
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance:</b>			
Restricted for:			
Debt Service	\$ -	\$ 2,036,092	\$ 2,036,092
Unassigned	32,169	-	32,169
<b>Total Fund Balances</b>	<b>\$ 32,169</b>	<b>\$ 2,036,092</b>	<b>\$ 2,068,262</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 32,169</b>	<b>\$ 2,036,092</b>	<b>\$ 2,068,262</b>

**Verano #1**  
**Community Development District**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For The Period Ending March 31, 2026**

	Adopted Budget	Prorated Budget Thru 03/31/26	Actual Thru 03/31/26	Variance
<b>Revenues:</b>				
Special Assessments - Tax Roll/Interfund transfers	\$ 33,931	\$ 33,931	\$ 33,931	\$ 0
<b>Total Revenues</b>	<b>\$ 33,931</b>	<b>\$ 33,931</b>	<b>\$ 33,931</b>	<b>\$ 0</b>
<b>Expenditures:</b>				
<b>General &amp; Administrative:</b>				
Supervisor Fees	\$ 4,000	\$ 1,000	\$ 1,000	\$ -
FICA Taxes	306	77	77	-
Annual Audit	3,700	3,700	3,200	500
Arbitrage Rebate	1,100	-	-	-
Dissemination Agent	5,513	2,756	2,757	(0)
Trustee Fees	9,900	-	-	-
Website Maintenance	827	414	414	0
Insurance General Liability	7,610	7,610	6,700	910
Other Current Charges	800	400	318	82
Dues, Licenses & Subscriptions	175	175	175	-
<b>Total General &amp; Administrative</b>	<b>\$ 33,931</b>	<b>\$ 16,131</b>	<b>\$ 14,639</b>	<b>\$ 1,492</b>
<b>Total Expenditures</b>	<b>\$ 33,931</b>	<b>\$ 16,131</b>	<b>\$ 14,639</b>	<b>\$ 1,492</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ 17,799</b>	<b>\$ 19,292</b>	<b>\$ 1,492</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 17,799</b>	<b>\$ 19,292</b>	<b>\$ 1,492</b>
<b>Fund Balance - Beginning</b>	<b>\$ -</b>		<b>\$ 12,878</b>	
<b>Fund Balance - Ending</b>	<b>\$ -</b>		<b>\$ 32,169</b>	

**Verano #1**  
**Community Development District**  
**Debt Service Fund Series 2015**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For The Period Ending March 31, 2026**

	Adopted Budget	Prorated Budge Thru 03/31/26	Actual Thru 03/31/26	Variance
<b>Revenues:</b>				
Special Assessments - Tax Roll	\$ 531,106	\$ 531,106	\$ 505,395	\$ (25,710)
Interest Income	15,000	7,500	13,773	6,273
<b>Total Revenues</b>	<b>\$ 546,106</b>	<b>\$ 538,606</b>	<b>\$ 519,169</b>	<b>\$ (19,437)</b>
<b>Expenditures:</b>				
Interest - 11/01	\$ 177,275	\$ 177,275	\$ 177,275	\$ -
Principal - 11/01	175,000	175,000	175,000	-
Interest - 05/01	173,119	-	-	-
<b>Total Expenditures</b>	<b>\$ 525,394</b>	<b>\$ 352,275</b>	<b>\$ 352,275</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues over Expenditure</b>	<b>\$ 20,712</b>	<b>\$ 186,331</b>	<b>\$ 166,894</b>	<b>\$ (19,437)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 20,712</b>	<b>\$ 186,331</b>	<b>\$ 166,894</b>	<b>\$ (19,437)</b>
<b>Fund Balance - Beginning</b>	<b>\$ 441,319</b>		<b>\$ 758,323</b>	
<b>Fund Balance - Ending</b>	<b>\$ 462,031</b>		<b>\$ 925,217</b>	

**Verano #1**  
**Community Development District**  
**Debt Service Fund Series 2017**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For The Period Ending March 31, 2026**

	Adopted Budget	Prorated Budget Thru 03/31/26	Actual Thru 03/31/26	Variance
<b>Revenues:</b>				
Special Assessments - Tax Roll	\$ 628,896	\$ 628,896	\$ 583,294	\$ (45,602)
Interest Income	15,000	7,500	14,662	7,162
<b>Total Revenues</b>	<b>\$ 643,896</b>	<b>\$ 636,396</b>	<b>\$ 597,956</b>	<b>\$ (38,441)</b>
<b>Expenditures:</b>				
<b>Series 2017A-1</b>				
Interest - 11/01	\$ 110,606	\$ 110,606	\$ 110,606	\$ -
Interest - 05/01	370,000	-	-	-
Principal - 05/01	110,606	-	-	-
<b>Series 2017A-2</b>				
Interest - 11/01	8,694	\$ 8,694	8,694	\$ -
Interest - 05/01	8,694	-	-	-
Principal - 05/01	20,000	-	-	-
<b>Total Expenditures</b>	<b>\$ 628,600</b>	<b>\$ 119,300</b>	<b>\$ 119,300</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ 15,296</b>	<b>\$ 517,096</b>	<b>\$ 478,656</b>	<b>\$ (38,441)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 15,296</b>	<b>\$ 517,096</b>	<b>\$ 478,656</b>	<b>\$ (38,441)</b>
<b>Fund Balance - Beginning</b>	<b>\$ -</b>		<b>\$ 632,220</b>	
<b>Fund Balance - Ending</b>	<b>\$ 15,296</b>		<b>\$ 1,110,875</b>	

**Verano #1**  
**Community Development District**  
**Month to Month**

	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
<b>Revenues:</b>													
Special Assessments - Tax Roll/Interfund transfers	\$ -	\$ 33,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,931
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 33,931</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,931</b>
<b>Expenditures:</b>													
<b>General &amp; Administrative:</b>													
Supervisor Fees	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000
FICA Taxes	-	77	-	-	-	-	-	-	-	-	-	-	77
Annual Audit	-	3,200	-	-	-	-	-	-	-	-	-	-	3,200
Arbitrage Rebate	-	-	-	-	-	-	-	-	-	-	-	-	-
Dissemination Agent	459	459	459	459	459	459	-	-	-	-	-	-	2,757
Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Website Maintenance	69	69	69	69	69	69	-	-	-	-	-	-	414
Insurance General Liability	6,700	-	-	-	-	-	-	-	-	-	-	-	6,700
Other Current Charges	55	58	56	49	49	51	-	-	-	-	-	-	318
Dues, Licenses & Subscriptions	175	-	-	-	-	-	-	-	-	-	-	-	175
<b>Total General &amp; Administrative</b>	<b>\$ 7,458</b>	<b>\$ 4,863</b>	<b>\$ 584</b>	<b>\$ 578</b>	<b>\$ 577</b>	<b>\$ 579</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,639</b>
<b>Total Expenditures</b>	<b>\$ 7,458</b>	<b>\$ 4,863</b>	<b>\$ 584</b>	<b>\$ 578</b>	<b>\$ 577</b>	<b>\$ 579</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,639</b>
<b>Excess (Deficiency) of Revenues over Expenditure</b>	<b>\$ (7,458)</b>	<b>\$ 29,068</b>	<b>\$ (584)</b>	<b>\$ (578)</b>	<b>\$ (577)</b>	<b>\$ (579)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,292</b>
<b>Net Change in Fund Balance</b>	<b>\$ (7,458)</b>	<b>\$ 29,068</b>	<b>\$ (584)</b>	<b>\$ (578)</b>	<b>\$ (577)</b>	<b>\$ (579)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,292</b>

**Verano #1**  
**Community Development District**  
**Long Term Debt Report**

<b>Series 2015, Special Assessment Bonds</b>	
Interest Rate:	4.750%, 5.125%, 5.250%
Maturity Date:	11/1/2046
Reserve Fund Definition	50% of Maximum Annual Debt Service
Reserve Fund Requirement	\$267,931
Reserve Fund Balance	\$325,370
Bonds Issuance - 6/30/2015	\$8,035,000
Less: Principal Payment - 11/1/17	(\$120,000)
Less: Principal Payment - 11/1/18	(\$125,000)
Less: Special Call - 11/1/18	(\$15,000)
Less: Principal Payment - 11/1/19	(\$135,000)
Less: Special Call - 5/1/20	(\$20,000)
Less: Principal Payment - 11/1/20	(\$140,000)
Less: Principal Payment - 11/1/21	(\$145,000)
Less: Special Call - 5/1/21	(\$15,000)
Less: Special Call - 5/1/22	(\$10,000)
Less: Principal Payment - 11/1/22	(\$150,000)
Less: Special Call - 11/1/22	(\$5,000)
Less: Principal Payment - 11/1/23	(\$160,000)
Less: Special Call - 5/1/24	(\$5,000)
Less: Principal Payment - 11/1/24	(\$165,000)
Less: Principal Payment - 11/1/25	(\$175,000)
<b>Current Bonds Outstanding</b>	<b>\$6,650,000</b>

<b>Series 2017A-1, Senior Special Assessment Refunding Bonds</b>	
Interest Rate:	2.000%, 2.250%, 2.500%, 2.750%, 3.000%, 3.100%, 3.250%, 3.500%, 3.750%
Maturity Date:	5/1/2037
Reserve Fund Definition	50% of Maximum Annual Debt Service
Reserve Fund Requirement	\$294,056
Reserve Fund Balance	\$361,663
Bonds Issuance - 5/31/2015	\$8,160,000
Less: Principal Payment - 5/1/18	(\$295,000)
Less: Principal Payment - 5/1/19	(\$300,000)
Less: Principal Payment - 5/1/20	(\$305,000)
Less: Special Call - 11/1/20	(\$10,000)
Less: Principal Payment - 5/1/21	(\$315,000)
Less: Principal Payment - 5/1/22	(\$325,000)
Less: Principal Payment - 5/1/23	(\$335,000)
Less: Principal Payment - 5/1/24	(\$345,000)
Less: Principal Payment - 5/1/25	(\$355,000)
Less: Special Call - 5/1/25	(\$10,000)
<b>Current Bonds Outstanding</b>	<b>\$5,565,000</b>

<b>Series 2017A-2, Subordinate Special Assessment Refunding Bonds</b>	
Interest Rate:	4.000%, 4.750%, 5.000%
Maturity Date:	5/1/2037
Reserve Fund Definition	25% of Maximum Annual Debt Service
Reserve Fund Requirement	\$11,516
Reserve Fund Balance	\$14,163
Bonds Issuance - 5/31/2015	\$555,000
Less: Principal Payment - 5/1/18	(\$20,000)
Less: Principal Payment - 5/1/19	(\$20,000)
Less: Principal Payment - 5/1/20	(\$20,000)
Less: Principal Payment - 5/1/21	(\$20,000)
Less: Principal Payment - 5/1/22	(\$20,000)
Less: Special Call - 11/1/22	(\$35,000)
Less: Principal Payment - 5/1/23	(\$20,000)
Less: Special Call - 11/1/23	(\$10,000)
Less: Principal Payment - 5/1/24	(\$20,000)
Less: Principal Payment - 5/1/25	(\$20,000)
<b>Current Bonds Outstanding</b>	<b>\$350,000</b>

<b>Total Bonds Outstanding</b>	<b>\$12,565,000</b>
--------------------------------	---------------------

# Verano #1

Community Development District  
Summary Tax Collections  
Fiscal Year Ending September 30, 2026

								PS 84		VCCD		Total
								Verano #5	Verano #1	Verano #1	Total	
								\$161,991.10	\$577,289.00	\$684,958.92	\$1,424,239.02	
								\$149,031.81	\$531,105.88	\$630,162.21	\$1,310,299.90	
								11.37%	40.53%	48.09%	100.00%	
								Series 2015		Series 2017		Total
Date Received	Description	Gross Tax Received	Discounts/ (Penalties)	Commissions	Property Appraisal	Interest	Net Amount Received	General Fund	Debt Service Fund	Debt Service Fund	Total	
								O&M Master	Series 2015	Series 2017		
								2.00%				
11/10/25	02/28-11/01/25	\$38,980	\$1,938	\$741	\$0	\$0	\$36,301	\$4,096	\$16,503	\$15,702	\$36,301	
11/17/25	11/01-11/06/25	\$116,435	\$4,658	\$2,236	\$0	\$0	\$109,542	\$12,329	\$51,447	\$45,765	\$109,542	
11/21/25	11/07-11/13/25	\$162,193	\$6,488	\$3,114	\$0	\$0	\$152,591	\$17,361	\$61,530	\$73,700	\$152,591	
12/02/25	11/14-11/20/25	\$155,234	\$6,210	\$2,981	\$0	\$0	\$146,044	\$17,016	\$37,197	\$91,832	\$146,044	
12/01/25	Property Appraiser	\$0	\$0	\$0	\$28,485	\$0	(\$28,485)	-\$3,240	-\$11,546	-\$13,699	-\$28,485	
12/08/25	11/21-11/27/25	\$556,848	\$22,275	\$10,691	\$0	\$0	\$523,882	\$59,018	\$243,157	\$221,706	\$523,882	
12/12/25	11/28-12/04/25	\$143,011	\$5,661	\$2,747	\$0	\$0	\$134,604	\$15,450	\$46,933	\$72,221	\$134,604	
12/19/25	12/05-12/11/25	\$31,247	\$1,114	\$603	\$0	\$0	\$29,530	\$3,396	\$9,924	\$16,210	\$29,530	
12/31/25	12/12-12/18/25	\$7,944	\$238	\$154	\$0	\$0	\$7,552	\$853	\$3,403	\$3,296	\$7,552	
01/06/26	12/19-12/25/25	\$14,272	\$412	\$277	\$0	\$0	\$13,583	\$1,559	\$4,718	\$7,305	\$13,583	
01/09/26	11/02-12/31/25	\$33,381	\$1,001	\$648	\$0	\$0	\$31,732	\$3,613	\$12,679	\$15,441	\$31,732	
01/09/26	interest	\$0	\$0	\$0	\$0	\$819	\$819	\$819	\$0	\$0	\$819	
01/16/26	01/02-01/08/26	\$5,322	\$133	\$104	\$0	\$0	\$5,085	\$575	\$2,244	\$2,266	\$5,085	
01/26/26	01/09-01/15/26	\$7,696	\$198	\$150	\$0	\$0	\$7,348	\$845	\$2,490	\$4,013	\$7,348	
01/30/26	01/16-01/22/26	\$6,943	\$139	\$136	\$0	\$0	\$6,668	\$766	\$2,310	\$3,592	\$6,668	
02/06/26	01/23-01/29/26	\$10,022	\$200	\$196	\$0	\$0	\$9,625	\$1,103	\$3,438	\$5,083	\$9,625	
02/13/26	01/30-02/05/26	\$8,437	\$154	\$166	\$0	\$0	\$8,117	\$942	\$2,256	\$4,919	\$8,117	
02/23/26	02/06-02/12/26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
02/27/26	02/13-02/19/26	\$4,096	\$41	\$81	\$0	\$0	\$3,974	\$433	\$2,656	\$886	\$3,974	
03/06/26	02/20-02/26/26	\$9,182	\$92	\$182	\$0	\$0	\$8,909	\$1,031	\$2,656	\$5,222	\$8,909	
03/13/26	02/27-03/05/26	\$10,085	\$77	\$200	\$0	\$0	\$9,807	\$1,087	\$5,534	\$3,186	\$9,807	
03/20/26	03/06-03/12/26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
03/27/26	03/13-03/19/26	\$12,082	\$0	\$242	\$0	\$0	\$11,841	\$1,327	\$5,866	\$4,648	\$11,841	
<b>TOTAL</b>		\$1,333,412	\$51,029	\$25,648	\$28,485	\$819	\$1,229,068	\$140,379	\$505,395	\$583,294	\$1,229,068	
							YTD collected %	93.53%	95.01%	92.48%	93.62%	
							YTD Gross collected	\$151,513	\$548,465	\$633,434	\$1,333,412	
							YTD Outstanding	\$10,478	\$28,824	\$51,525	\$90,827	