

June 25, 2025

Ms. Gloria Perez
District Manager
Cutler Cay Community Development District
Special District Services, Inc.
The Oaks Center, 2501A Burns Road
Palm Beach Gardens, FL 33410

Re: Year 2025 Cutler Cay CDD Report

Dear Ms. Perez:

The intent of this report is fourfold: 1) To inform as to the status of ownership of the infrastructure that was financed or constructed by the District; 2) To describe the state, working order and condition of the infrastructure still owned by the District; 3) To give recommendations as to the funds estimated necessary for the proper maintenance, repair and operation of the District's infrastructure and; 4) To report on the insurance being carried by the District.

The District is located in Sections 2 and 3, Township 56 South, Range 40 East, in Miami-Dade County, Florida. It is bounded by Old Cutler Road on the west, SW 185 Terrace and undeveloped land on the north, Biscayne Bay on the east, and SW 196 Street on the south. The development is located within Zip Code 33157. See Exhibit 1.

1. Infrastructure Ownership and Maintenance Responsibilities.

a. General

The CDD owns the land and improvements within the tracts shown in Exhibit 2. These tracts and improvements were granted in 2008 to the District by Shoma Development Corporation (the "Developer") and by The Cutler Cay Homeowners Association, Inc. (the "HOA") via Quit-Claim deeds recorded at ORB 26735, PG 1457 and ORB 26735, PG 1455, respectively.

The portions of Old Cutler Road and SW 196 Street that lie within the development were dedicated to Miami-Dade County by the recording of the plat titled "Cutler Cay" in Plat Book 162, Page 23.

The water and sanitary sewer systems were completed and conveyed to Miami-Dade County for ownership and maintenance.

b. Maintenance Responsibilities of CDD-Owned Facilities

The CDD and the HOA entered into a maintenance agreement dated May 26, 2021, which will expire on September 30, 2025 (the "2021 Agreement"). On June 10, 2024, the CDD and the HOA entered into a new 2-year, renewable maintenance agreement with a commencement date of October 1, 2025, when the 2021 agreement expires (the "2024

Agreement”). The maintenance responsibilities of the CDD and HOA described in the 2024 agreement are summarized in the table below:

Maintenance Responsibilities of CDD-Owned Facilities.				
(Refer to Exhibit 2 for Location)				
Tract ID	Acreage	CDD Ownership	Improvements Maintenance Responsibility	
			CDD	HOA
A	32.02	Land, Roads, Drainage, Sidewalks, Guardrails, Signs, Pavement Markings, Retaining Perimeter Wall, and Fence at SW 78 Ave (from 195 Terr to 194 Terr), Lighting, Landscaping, Irrigation, Security Guardhouse Structure with Gates and Equipment, North Entry Features, South Entry Fountain.	Roads, Drainage, Sidewalks, Guardrails, Signs, Pavement Markings, Retaining Perimeter Wall, and Fence at SW 78 Ave (from 195 Terr to 194 Terr), Lighting, Security Guardhouse Structure, North Entry Features, South Entry Fountain.	Landscaping, irrigation, security gates at the guardhouse, security equipment, interior guardhouse components, and regular janitorial services within the guardhouse.
B	33.05	Land, Lake, Fountain, Drainage Outfalls, Guardrails, Landscaping, Irrigation.	Lake (water), Drainage Outfalls, Guardrails, Fountain.	Landscaping, Irrigation (lake banks).
C	1.821	Land, Lake, Drainage Outfalls, Guardrails, Landscaping, Irrigation.	Lake (water), Drainage Outfalls, Guardrails.	Landscaping, Irrigation (lake banks).
G	1.753	Land, Drainage, Retaining Perimeter Wall and Fence on the East Side of the Tract,	Drainage, Retaining Perimeter Wall and Fence on the East Side of the Tract.	Landscaping, Irrigation.

Maintenance Responsibilities of CDD-Owned Facilities.				
(Refer to Exhibit 2 for Location)				
Tract ID	Acreage	CDD Ownership	Improvements Maintenance Responsibility	
			CDD	HOA
		Landscaping, Irrigation.		
H	0.588	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
I	1.109	Land, Drainage, Decorative Wall, Landscaping, Irrigation.	Drainage, Decorative Wall.	Landscaping, Irrigation.
J	0.048	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
K	0.048	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
N	1.849	Land, Pond, Guardrails, Decorative Wall on Old Cutler Rd, Landscaping, Irrigation.	Pond (water), Guardrails, Decorative Wall on Old Cutler Road.	Landscaping, Irrigation (pond banks).
O	2.188	Land, Pond, Guardrails, Decorative Wall on Old Cutler Rd, Landscaping, Irrigation.	Pond (water), Guardrails, Decorative Wall on Old Cutler Road.	Landscaping, Irrigation (pond banks).
P	0.438	Land, Guardrails, Retaining Wall at SE Corner of Tract, Landscaping, Irrigation.	Guardrails, Retaining Wall at SE Corner of Tract.	Landscaping, Irrigation.
Q	0.021	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
R	0.023	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
S	0.398	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
T	0.052	Land, Landscaping,	-	Landscaping, Irrigation.

Maintenance Responsibilities of CDD-Owned Facilities.				
(Refer to Exhibit 2 for Location)				
Tract ID	Acres	CDD Ownership	Improvements Maintenance Responsibility	
			CDD	HOA
		Irrigation.		
U	0.203	Land, Guardrails, Retaining Perimeter Wall and Fence on SW 74 Ave, Landscaping, Irrigation	Guardrails, Retaining Perimeter Wall and Fence on SW 74 Ave	Landscaping, Irrigation.
V	1.298	Land, Decorative Wall on Old Cutler Road, Landscaping, Irrigation	Decorative Wall on Old Cutler Road.	Landscaping, Irrigation.
W	0.122	Land, Decorative Wall on Old Cutler Road, Landscaping, Irrigation	Decorative Wall on Old Cutler Road.	Landscaping, Irrigation.
X	0.083	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
A-A	0.153	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
B-B	0.144	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
C-C	0.058	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.

2. State, Working Order and Condition of the Infrastructure Currently Owned by the District.

a. Roads and Road Components, Walls, Fences, Structures, Lighting, Landscaping and Irrigation.

The roads and related CDD-Owned facilities listed above in Section 1.b. are in good working order and condition.

b. Stormwater Management System, Lakes, Ponds, Drainage and Open Areas

Except for the drainage repairs described below, the drainage and stormwater management facilities listed above in Section 1. b. are in generally good working order and condition.

The CDD has engaged Headley Construction to undertake the Phase II Drainage repairs to the storm drainage system that drains the loop of SW 77 PL, SW 193 St, SW 76 Ct and SW 193 LN, where complaints have been received.

The CDD has completed the Priority 1 (Phase 1) shoreline restoration of the lake within Tract "B," following Landshore Enterprises' Lake Erosion Analysis.

The CDD has entered into an agreement with Landshore Enterprises to restore three segments of the lake shore totaling approximately 665 Linear Feet.

c. Water and Sewer Systems

The water and sewer systems were completed and conveyed in good working order and condition to Miami-Dade County for ownership and maintenance.

Issues with the systems may be reported to the County at either of the following numbers: 305-274-9272 (Emergencies) or 305-665-7477 (Customer Service).

3. Estimated Maintenance Costs for District-Owned Infrastructure

a. General

We think that for Fiscal Year 2025-2026, the District proposed amounts for field maintenance expenditures are adequate to properly maintain, repair and operate the public infrastructure for which the District is currently responsible in 2025-2026. (Refer to [Financials – Cutler Cay Community Development District](#) for the FY 2025-2026 Proposed Budget).

b. District Roads

The FY 2025-2026 budget takes into consideration the recommendation of creating a sinking fund to finance the future capital expense of milling and resurfacing the pavement and pavement markings of the District roads at the end of their service life, which is estimated to be in 11 years for the pavement and 5 for the pavement markings.

The table below provides an estimate of the future replacement costs and the estimated minimum annual contributions over the remaining service life to fund the future expenses, taking into consideration that as of this year, the District has accumulated about \$241,000 in reserves for such purpose, as reported by the District Manager to the District Engineer.

ESTIMATE OF COSTS FOR RESURFACING ROADS IN "n" YEARS									
Analysis and Annuity Recommendation									
Pavement Service Life (30 Years Estimated)		Present Year	Remaining Service Life (Yrs)	Present Year Cost (PC) of Pavement Replacement (Mill and Resurface 3/4" Thick)			Future Replacement Cost @ End of Service Life* For 2.5% Inflation Rate (r)	Annual Interest Rate	Annuity to Finance (FC) in (n) Years given (i)
From	To		(n)	Quantity (SY)	Unit Cost (\$/SY)	(PC)- \$241K in Reserve	$FC = (PC)(1+r/100)^n$	(i)	$FCi/((1+i)^n - 1)$
PAVEMENTS									
2006	2036	2025	11	76,450	\$10.00	\$523,500	\$686,877	0.25%	\$61,667
PAVEMENT MARKINGS AND SIGNING									
2020	2030	2025	5	76,450	\$2.50	\$191,125	\$216,240	0.25%	\$43,032

c. Stormwater Management System

The FY 2025-2026 budget takes into consideration the suggested creation of a 5-year cyclical program for servicing the inlets, manholes, pipes, and French drains of the drainage system. The program consists of servicing 20% of the system every year so that at the end of the fifth year, 100% of the system will be serviced. The tables below show the estimated amount that would need to be budgeted yearly to service the 325 drainage structures, the 18,680 Linear Feet of pipes and replacement of damaged baffles in the District.

5-YEAR CYCLE ESTIMATE OF YEARLY COSTS FOR SERVICING THE STORMWATER DRAINAGE									
Total No. Structures in CDD	Total LF Pipes	No. Structures with Pipes Serviced per Year					Avg. Cost/EA Structure. Assume 2.5% Annual Inflation Rate ⁽¹⁾	Avg. Cost/LF Pipe. Assume 2.5% Inflation Rate ⁽²⁾	Total Budget Amount Per Year
		Year 1 (2025)	Year 2 (2026)	Year 3 (2027)	Year 4 (2028)	Year 5 (2029)			
325	18680	65					\$230.00	\$6.75	\$40,200
			65				\$236.00	\$6.92	\$41,200
				65			\$242.00	\$7.09	\$42,300
					65		\$248.00	\$7.27	\$43,300
						65	\$254.00	\$7.45	\$44,400

⁽¹⁾ Includes the cost of vacuuming the sump of the drainage structure and the cost of removing and reinstalling the baffle if there are baffle, and the if the baffle is in good condition.

⁽²⁾ Includes the cost of pressure spraying and videoing the pipes and of dewatering with plugs at the end of the pipes when the pipes are submerged.

5-YEAR CYCLE ESTIMATE OF YEARLY COSTS FOR BAFFLE REPLACEMENTS							
Estimated Number of Baffles to be Replaced ⁽¹⁾	No. Structures with Pipes Serviced per Year					Estimated Cost Per Baffle For 2.5% Inflation Rate	Total Budget Amount Per Year
	Year 1 (FY 25-26)	Year 2 (FY 26-27)	Year 3 (FY 27-28)	Year 3 (FY 28-29)	Year 2 (FY 29-30)		
69	14					\$600	\$8,400
		14				\$615	\$8,700
			14			\$630	\$8,900
				14		\$646	\$9,100
					13	\$662	\$8,700

⁽¹⁾ The estimate assumes that 25% of the 176 baffles in the District will need replacement in the next five years.

d. Water and Sewer Systems

The water and sewer systems are maintained, operated, and funded by WASD, which may be contacted at 305-274-9272 (for emergencies) or at 305-665-7477 (for customer service).

4. Insurance

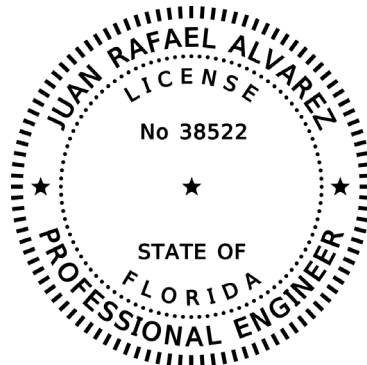
Alvarez Engineers has reviewed the District's general liability, property, hired non-owned auto, employment practices liability, public officials liability coverage and deadly weapon protection insurance policy provided by Florida Insurance Alliance under Agreement No. 100124030, for the period between October 1, 2024, and October 1, 2025. The District has budgeted enough funds to cover the \$13,931 insurance premium.

This report was prepared to the best of my knowledge and belief and is based on field observations conducted by Alvarez Engineers personnel, the District Engineer's Report, public documents available and communications with the District's field staff.

If you have any questions, please do not hesitate to contact us at 305-640-1345 or at Alvarez@Alvarezeng.com.

Sincerely,
Alvarez Engineers, Inc.

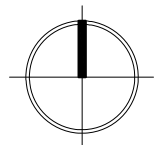
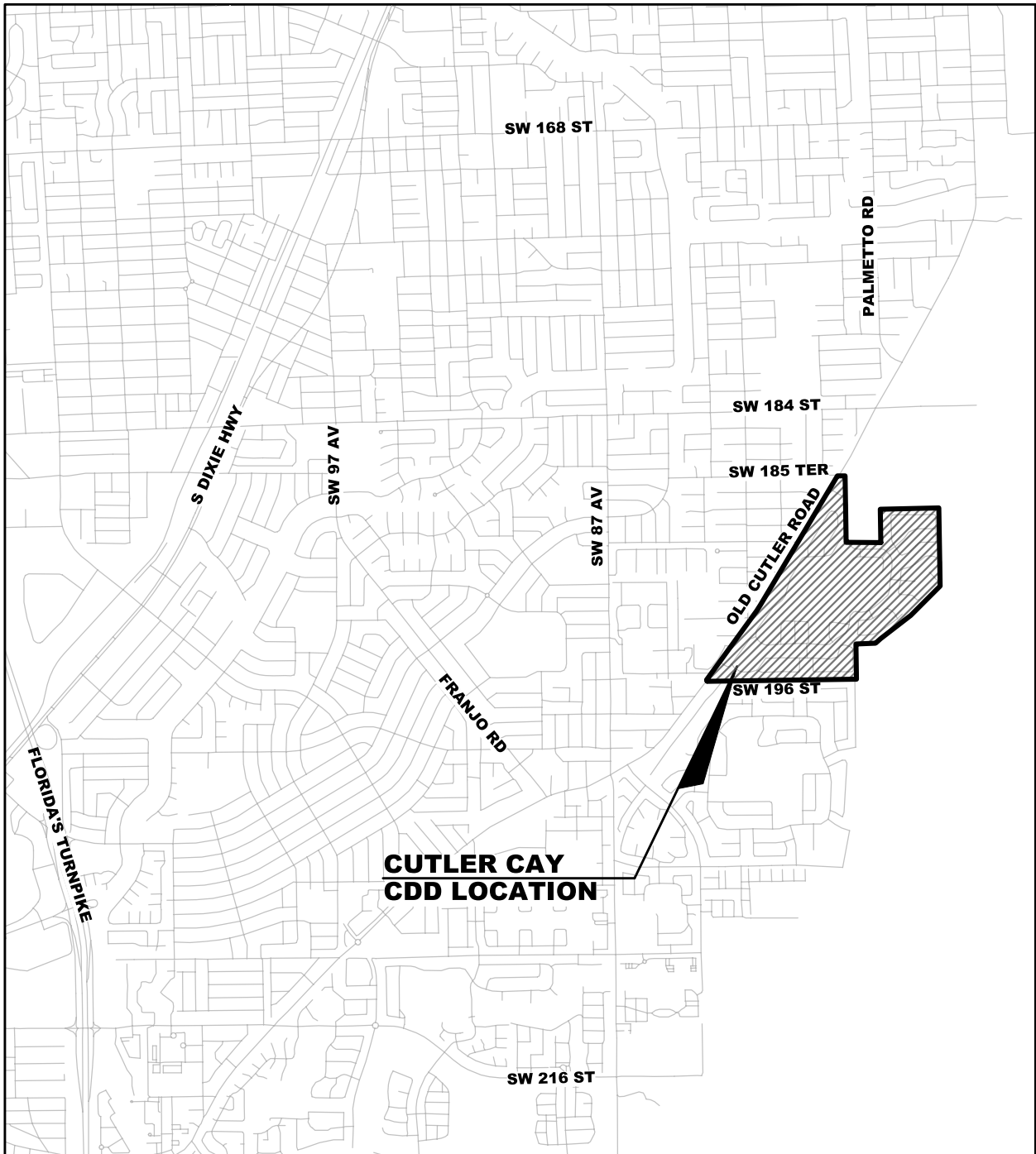
Juan R. Alvarez, PE
District Engineer
Date: June 25, 2025



This item has been digitally signed and sealed by Juan R. Alvarez, PE on June 25, 2025.

Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.

cc. Michael Pawelczyk, District Counsel, mjp@bclmr.com



0 500' 1500' 3000'

ALVAREZ ENGINEERS, INC.

**CUTLER CAY CDD
LOCATION MAP**



LEGEND:



TRACT "A" (PB 162, PG 23)
FOLIO: 36-6003-034-5060
(QCD ORB 26735, PG 1455)
CATEGORY: ROAD



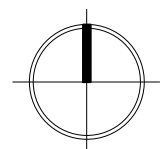
TRACTS "B" AND "C" (PB 162, PG 23)
FOLIO: 36-6003-034-5070
(QCD ORB 26735, PG 1455)
CATEGORY: STORMWATER MANAGEMENT SYSTEM



TRACTS "G", "H", "I", "J", "K", "N", "O", "P", "Q", "R", "S", "T",
"U", "V", "W", "X", "AA", "BB", AND "CC" (PB 162, PG 23)
FOLIO: 36-6003-034-5060
(QCD ORB 26735, PG 1455)



CATEGORY: COMMON AREAS



0 100' 400' 650'

ALVAREZ ENGINEERS, INC.

CUTLER CAY CDD

CDD LAND OWNERSHIP AND EASEMENTS

EXHIBIT 2

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