<u>Westshore Marina District Master Association, Inc.</u>
<u>c/o Triad Association Management</u>
<u>918 W Main St.</u>
<u>Leesburg, FL 34748</u>

<u>For Settlement Purposes Only</u>

April 8, 2026

New Port Tampa Bay CDD Board of Supervisors
c/o PFM Group Consulting LLC
3501 Quadrangle Boulevard, Suite 270
Orlando, Florida 32817

Re: *CDD letter dated March 27, 2026*

Dear Supervisors:

The Westshore Marina District Master Association ("Master Association") is in receipt of your letter dated March 27, 2026 ("Letter"), purporting to terminate the *Infrastructure Operating Agreement* dated February 7, 2017 ("Agreement"). The Letter also demands four items in order for this purported cancellation to be rescinded. While the Master Association understands why the resident CDD Board Members are proposing the changes outlined in the Letter, the Master Association cannot agree to all four terms proposed by the CDD. However, the Master Association would like to resolve this issue without the need to levy assessments against the landowners and residents for the significant expense of funding both sides of a protracted legal battle.

The Master Association proposes the following to resolve this dispute:

A) The Master Association can arrange for the master developer, owner of Tower 2, or the owner of Tower 3 to make an annual cash contribution to the Master Association in the amount of $109,000.00, to be paid in quarterly installments. This payment would begin upon the issuance of a Notice of Commencement for Tower 2. The amount of this annual contribution will be reduced quarterly by the amounts paid by the owners of units in Towers 2 and 3. This payment will no longer be required after the latter of Tower 2 or Tower 3 receiving a Temporary Certificate of Occupancy. In the event that a Notice of Commencement has not been issued by 1/1/2027, the master developer will make a cash contribution of $50,000 to the CDD on or before 1/15/2027. These contributions would continue under the following circumstances:
   i. No attempt is made by the CDD to terminate the Agreement; and
   ii. No changes are requested or challenges lodged to the *Declaration of Covenants, Restrictions and Easements for Westshore Marina District* dated

4913-3668-7262.1

February 10, 2017 ("Declaration") and/or Agreement unless mutually agreed; and

iii. The collection of fees and dues will remain with the Master Association.

B) On or about November 1 of each year the Master Association shall submit its proposed annual budget to the CDD Board for review and comment. This budget shall include line-item detail, including any amounts set aside for reserves, for the operation and maintenance of CDD-owned infrastructure. If requested by the CDD Board, the boards of the Master Association and the CDD shall schedule a joint meeting before November 15, to discuss any concerns the CDD has about the Master Association budget. If requested by the CDD, the Master Association shall provide the CDD with existing supporting documentation for the budget assumptions, current maintenance contracts, historical actuals and such additional back up as the CDD may reasonably request. Consistent with the CDD's goal of cutting costs, if the CDD has solicited and received a proposal for the same scope of services provided by an existing vendor to the Master Association for operation or maintenance of CDD-owned infrastructure, and such proposal is from a reputable vendor with a cost savings of at least 10%, the Master Association will agree to terminate the existing vendor contract as soon as legally permitted and enter into a new contract with the vendor selected by the CDD.

The CDD's requested change to the assessment unit methodology in its demand #1 is in direct conflict with the Declaration which is the governing document recorded as a matter of title on every property in the District. Section 19.3 of the Declaration states that no changes can be made to "the method of allocating expenses as contained in Section 7.2." Section 7.2 states the mandatory required allocation methodology for expenses, including expenses paid out of reserve funds. Changing this provision would require all parties subject to the Declaration to approve this change, which is not a feasible endeavor. Essentially, the CDD is demanding something the Master Association cannot perform, and that is an unreasonable request. Please remember the Declaration was executed by the CDD and is, and has been since inception, the basis for and influence over every real estate transaction that has taken place in the CDD. It is a matter of record title, to which every property owner agreed at the time of the purchase of their property.

In relation to the CDD demand that the master developer or marina developer pay the Master Association's assessment for the 159 Marina slips, it is highly inappropriate for public officials or a public board to develop and implement a strategy whereby a public contract is purportedly terminated and reinstatement is expressly conditioned on one private party paying the debt of another private party. That is not an appropriate exercise of the functions or duties of CDD Supervisors or a CDD Board, and as a result will not be further entertained in any settlement discussions.

The settlement proposal included herein would ensure that the Master Association dues for each household are reduced in the short-term, without the need for expensive and risky litigation which will dramatically increase both the Master Association dues and CDD special assessments for each individual household. It also provides a mechanism for the CDD to implement cost saving agreements if it believes the Master Association is paying too much for the operation and maintenance of CDD-owned infrastructure.

Please understand that the Master Association does not agree that the CDD has the right to unilaterally terminate the Agreement. If this matter is not resolved, the Master Association will be forced to pursue all appropriate legal actions, including but not limited to seeking injunctive relief, specific performance, attorney fees and court costs, all as permitted under sections 15 and 16 of the Agreement. By pursuing its current course, the CDD will be forcing residents to pay both the plaintiff and defendant attorney fees in the same case due to decisions of the CDD Board of Supervisors. All that can be avoided if the CDD is willing to work with the Master Association on the proposal identified above.

Finally, the Letter gives the Master Association a deadline of April 2 to give in to the CDD demands. That is an artificial deadline imposed by the CDD and not realistic. The CDD knows it has up until it adopts its budget in August to come to an agreement with the Master Association before it is required to certify its assessment roll. With that said, the Master Association would like to resolve this issue without delay.

Please let us know the CDD's proposed next steps after the CDD Board's review of this alternative settlement proposal. If the CDD Board is not interested in further discussions on this proposal, please advise that as well. Thank you for your prompt attention to this matter.

Sincerely,

Kevin Mays
Vice President
Westshore Marina District Master
Association, Inc.