

**Fiddler's Creek CDD#1
Meeting Summary**

April 22, 2009

The meeting was called to order at approximately 10:45 am with all Supervisors present.

Since several outside parties were in attendance to present and discuss financial issues including CDD bond refunding and CDD assessments, those matters were brought up first on the agenda. Attending the meeting were Mr. Bill Reagan of Raymond James & Associates who is managing the restructuring of the 2002 and 2005 CDD bonds as well as Ms. Alice Carlson who is under contract to the CDD to certify our annual assessment roll to the Collier County Tax Collector as well as maintain the records for all property owners in Fiddler's Creek with respect to CDD bond amortization balances and CDD assessments.

Mr. Reagan summarized the status of the bond restructuring which would provide a proposed two year extension to the land owners (GBFC Development and 951 Land Holdings) on the bond principal & interest payments due May 1, 2009. While it was expected the CDD Board would sign the appropriate documents at this meeting, Mr. Reagan explained that certain bond holders had taken issue with financial obligations held by the land owners and wanted those issues cleared up before agreeing to a bond restructure. Therefore the bond restructuring has been delayed. All parties remain optimistic that the issues can be worked through to everyone's satisfaction and the restructuring occur, hopefully in May. In the interim, there are sufficient funds currently available in all bond funds to make the required principal and interest payments from the reserves. The bond holders are the parties that decide whether or not this action will be taken.

The next item which received extensive discussion was the matter of the current (as of April 22, 2009) delinquency of Collier County Property Taxes on the part of the Major landowner. Taxes were delinquent as of April 1, 2009. Since the CDD derives a portion of the CDD assessment to the major landowner through inclusion on the Property Taxes, the delinquency presents a potential serious short term cash flow issue for the District's operating funds. It should be noted the Major landowner also pays CDD assessments "off roll" which means that a check is paid to the CDD each month for 1/12th of the amount of their annual "off roll" assessments. **THESE OFF ROLL ASSESSMENT PAYMENTS ARE CURRENT.**

County Property Tax delinquencies result in a Tax Certificate being issued by the County in the amount of delinquency. The Tax Certificates represent the amount of tax owed and are advertised during the month of May in the local papers. The Tax Certificates are auctioned at a public auction held on or about June 1st. Revenue received from the sale of these Tax Certificates is passed back through the County Tax Collector and ultimately will be delivered to the CDD. However the CDD will not see the proceeds of the Tax Certificate sale until July or August, thus the short term cash flow issue. The CDD does

have reserves which can be utilized to some extent, however there would be other potential issues resulting from draining your reserves.

The Board then held discussions regarding possible solutions to the cash flow problem which included a potential Special Assessment to be levied against all property owners within CDD#1. No decision regarding a Special Assessment was taken at this meeting and will be further discussed on May 13, 2009.

A discussion ensued concerning where the CDD could reduce current operating expenses to reduce the impact of decreased revenue, in the short term, from the land owner. These potential cost savings occur principally in the areas of landscaping (canopy tree trimming) and the Safety program. No final decisions were made on these items. The final decisions will be made in our "continued" CDD Board meeting scheduled for May 13, 2009 at 10am.

Other items of business were discussed of a routine nature.