

Meeting Summary
Fiddler's Creek CDD#1
April 28, 2010

The joint meeting of CDD#1 & CDD#2 was called to order at 8:00am with all Supervisors present. Ms. Carla Barrow of Weiss Serota began the meeting with a report of the status of the bankruptcy proceedings of Fiddler's Creek LLC. Of significant interest was the objection she filed with the Court to the application by the Debtors to retain Moelis and Company to seek new investment capital for Fiddler's Creek. The objection was based upon the fact Moelis will be paid \$125,000 per month plus all legal fees while at the same time, the Debtors have not agreed to fund all "on roll" CDD assessments. The argument being that since CDD assessments stand ahead of all secured creditors, the debtors should ensure those assessments are funded before spending limited capital to employ Moelis. The CDD Boards agreed with this position and encouraged Ms. Barrow to continue to pursue negotiations with the Debtors which hopefully will lead to an amicable agreement to fund the assessments and therefore not force the CDDs to a more rigid position of objection in Court.

The second order of business was to review the annual financial audit report prepared by Grau & Associates. The audit found no serious issues but did comment on the delinquent CDD bond principal and interest payments by Gulf Bay which has resulted in deficits within several of the Bond accounts. Additionally, comments noted the bankruptcy filing by Fiddler's Creek LLC and 28 affiliated on February 23, 2010.

Mr. Terry Cole, District Engineer presented a proposal for a new sign to be placed on US #41 on the south side as you approach the Sandpiper entrance to Fiddler's Creek. The proposed sign would provide advance warning of entrance to Fiddler's Creek on the right. After some discussion, the Board deferred the matter pending approval of the sign design by the Design Review Committee of the developer.

The advertised purpose of the joint meeting was to hold a workshop between the two CDD Boards to discuss proposed changes to the Rules of Procedure. The Rules of Procedure govern the CDD Board of Supervisors in the conduct of its business. After much discussion the Supervisors voted to direct legal staff to prepare language modifying the Rules of Procedure in several areas and present the modifications for consideration at next month's

meeting where they must be approved by a majority of both CDD Boards. Specifically:

- 1) “NO CONTACT” provision. The current Rules of Procedure do not prevent a CDD Supervisor from contacting or being contacted by a potential bidder for services to the Community Development District. The Boards voted to draft language that would preclude contact between a Supervisor and a potential or actual bidder during the period when the District advertises for bid applications and the actual awarding of a bid. Further, if a prospective bidder were to contact a Supervisor, that bidder should be directed to the District Manager for handling and the contact be made known to all other Supervisors.
- 2) “REQUIRED SEALED BID” provision. The Rules of Procedure currently require that all “maintenance” services be contracted under a sealed bid process. Those maintenance services include landscaping and lake maintenance. That is in accordance with state statute. However the Rules of Procedure additionally require that Security services also be awarded under an advertised and sealed bid process and since security services are NOT maintenance services the Districts could consider modifying the Rules to not require advertised and sealed bidding. The Boards discussed this at length and voted 9 to 1 to direct staff to draft language for consideration next month removing the requirement to bid Security services. If approved next month, it would provide the Districts the flexibility to bid out Security or alternatively interview and select a qualified service provider or to employ its own security personnel.
- 3) “FILL VACANCY ON BOARD” provision. Currently when a Supervisor resigns the Board, the rules state the Board shall appoint a replacement but imposes no time limit. After discussion staff was directed to draft and present a rule that would require the Board to appoint a replacement within 60 days providing there are no extenuating circumstances (pending general election) that would suggest a longer period in which to replace.

Other routine business of reviewing and approving meeting minutes and monthly financials followed and the meeting was adjourned at approximately 11:30am.