

Fiddler's Creek CDD#1 Meeting Summary

May 27, 2009

The regular meeting of the Board of Supervisors was called to order by Mr. Chuck Adams, at approximately 10:30 a.m., with all Supervisors present.

Mr. Terry Cole, District Engineer, presented his most current pay draw, representing on-going clearing activities in the preserve area to the Southwest of the District lands. Mr. Brougham clarified with Mr. Cole the fact that, in the previous Board meeting, the Board directed Mr. Cole to defer payment of management fees to the Developer. These fees are charged as per an agreement between the District and the Developer and are in compensation for contractor acquisition, supervision and payment. In view of the fact that these fees cover construction activities, which have been completed and are legally contracted, the Board directed Mr. Cole to proceed to pay the management fees to the Developer.

A preliminary budget for Fiscal Year 2010 was presented to the Board, along with a resolution "approving" the budget and setting the Public Hearing on the budget for August 26, 2009, at 9:30 am. This step is a formality to conform to Florida Law, however, the actual budget will be discussed and formed over the next several months during the regular monthly Board meetings. No potential savings, recently discussed, were a part of the preliminary budget.

There was some discussion concerning the current situation with respect to Collier County Property Tax delinquencies on the part of the developer, as well as forty (40) other property owners within Fiddler's Creek. The delinquent property taxes still had not been paid as of May 27th. The County Tax Collector will conduct a Tax Certificate auction beginning May 29, 2009 and continuing through June 4, 2009. It should be noted that delinquent property taxes can be paid at any point by the landowner.

The Board was advised that there was no payment made from CDD Bond Fund reserves to satisfy the principal and interest payments due on May 1, 2009 for the 1999A, 2002A and 2002B Series Bonds. This was at the direction of the Bondholders and seemed to indicate that the Bondholders are still in negotiation with the developer concerning this issue.

The Board listened as Tony Pires, District Attorney, read a prepared statement into the record from his law firm, Woodward Pires and Lombardo concerning any potential conflict of interest. Mr. Mark Woodward, a partner in the firm, represents the major land owner Gulf Bay (951 Land Holdings, et al). Therefore, Mr. Pires would not participate in any discussions or actions coming as a result of the District instituting foreclosure procedures against the developer, should that action be necessary and approved by the Board of Supervisors. The District Manager, Mr. Adams, was directed to review several other qualified legal firms and make a recommendation to the Board at our next meeting. At this point in time, there is no foreclosure action necessary as the developer is completely current with their "off roll" CDD assessment payments.

Mr. Pires also read a legal opinion concerning the Hurricane Wilma loan assessment with respect to a potential Special Assessment. The bottom line on this topic is that any owner who was assessed for the Hurricane Wilma loan was presented an opportunity to prepay this assessment in 2006 and therefore avoid the assessment being made a part of their annual CDD assessments on the County tax rolls. Those that prepaid in 2006 OR that have paid the balance due subsequently will not be liable for any Special Assessment for a fund deficiency, if present. Their legal obligation for that loan assessment is satisfied when the balance due is paid.

The audience asked several questions for clarification regarding these matters throughout the meeting. It was noted that no decisions have been made concerning savings in security or landscaping. These decisions will be made in our June, 2009 meeting. Mr. Brougham made the Board aware that he had received a commitment from TruGreen Landcare, the District landscape contractor, to forego their contracted increase in base fees for the next calendar year. This will result in savings of approximately \$20,000 to the District.

The meeting was continued until 9:30 a.m., on June 10, 2009 in the Club & Spa meeting room. The Board will then be updated on the results of the County Tax Certificate sale and any other financial developments. A decision on Special Assessments will likely then be made based on this updated information.