

**Fiddler's Creek CDD#1
Meeting Summary
May 13, 2009**

The meeting was called to order at approximately 10:45 a.m., and a quorum of the Board was found to be present. Also present at the meeting were a large number of Fiddler's Creek residents, as well as Mr. Joseph Parisi, Mr. Anthony Dinardo and Mr. Ron Albeit, representing the major landowner.

Chairman Brougham welcomed all the residents and provided a brief explanation of how the meeting would be conducted. Staff presentations would be made initially, including questions by the Supervisors. The presentations would then be followed by questions from the residents and responses by the Staff or Supervisors.

Mr. Joseph Parisi asked to read a statement into the record concerning the current state of the real estate market as well as Gulf Bay's on-going efforts to recapitalize their debt and refinance outstanding CDD tax exempt bonds. The statement will be found in its entirety in the minutes of this meeting when posted on the CDD website. Mr. Parisi also stated that the regular monthly CDD assessment, due from Gulf Bay, would be paid for the month of May.

The next speaker was Mr. Bill Reagan, representing Raymond James & Co., who is managing the CDD bond refinancing effort. While there was no significant news with respect to progress of this effort, the firm remains positive that the refinancing will occur; however, subject to Gulf Bay concluding their debt refinancing.

Mr. Brougham explained to the audience that this meeting was intended for both the residents and the Supervisors to receive updated information from District Staff concerning our Operating Revenue requirements between May and January; to discuss elements of our budgeted Operating Expenses where reductions could be made and, finally, to present a "worst case scenario" of imposing a Special Assessment on the owners within CDD#1 to bridge the revenue shortfall, that will exist if the major landowner (951 Land Holdings) does not pay their delinquent property taxes and ceases to provide monthly payments to the CDD for property assessments not on the County Tax Roll. If a special assessment is imposed, these monies would eventually be returned to the owners in CDD#1 as a result of the proceeds obtained from the sale of Tax Certificates by the County Tax Collector and/or the placing of liens on property delinquent but not on the County Tax rolls.

Mr. Chuck Adams, District Manager, then briefed the Supervisors on the current cash position and revenue requirements for the next eight (8) months. General Fund 001, the Operating and Maintenance Fund, has a Net Cash Balance of \$696,424 as of May 1, 2009. Our cash flow needed to fund District operations until January 1, 2010, assuming acceptance of proposed cuts, is \$1,207,131. That results in a shortfall of \$510,707 after considering \$285,400 in potential expense reductions. When that shortfall is allocated to the 1,174 residential units expected to pay the potential special assessment, it amounts to \$435 per residential unit.

With respect to General Fund 002, the Hurricane Wilma Loan Fund, the same calculations were presented and projected a potential shortfall of \$346,738 which would be allocated to the 962 residential units expected to pay the special assessment, that did not pay their Wilma Loan off and are still making annual payments, via their CDD assessments, to satisfy their loan obligations.

It should be noted that, if a special assessment were to be imposed, it would be imposed on ALL units in CDD#1, including those owned by the major landowner (951 Land Holdings).

There was considerable discussion among the Supervisors and the audience members concerning proposed savings in budgeted expenses. The proposals included reductions in tree trimming, mulching and street sweeping as well as reductions/changes in our Safety program. Options to close the Sandpiper gate and revert back to Championship were discussed in addition to eliminating the day shift of the roving patrol. Many opinions were expressed on all topics, both for and against.

Mr. Brougham stressed that no final decision was going to be made on either expense reductions or the potential Special Assessment at this meeting. The Board will meet in regular session on May 27, 2009, where it will again be updated on developments including any property tax payments made or progress on the CDD bond refinancing. If the situation remains essentially unchanged at that meeting, the Board will then consider initiating the legal process necessary to move forward with a Special Assessment. That would include newspaper advertisement, a separate mailed notice to all land owners and a Public Hearing to approve any such assessment. The projected date of the Public Hearing, if necessary, would be June 24, 2009.