

**Meeting Summary**  
**Fiddler's Creek CDD#1**  
**October 27, 2010**

The regular joint meeting of Fiddler's Creek CDD#1 and CDD#2 convened at 8:00 a.m. on October 27, 2010 with all Supervisors in attendance.

Terry Cole, District Engineer, reported that all construction work has been halted in Fiddler's Creek pending clarification and approval from CDD bondholders. Additionally, bondholders have been contacted by Mr. Cole and Mr. Adams with respect to payment of contracted work previously approved by the bondholders.

Both CDD Boards considered the draft amendment to our existing contract with Fiddler's Creek Security which would essentially convert the existing contract to one which compensates Fiddler's Creek Security for the actual cost of labor, benefits and uniforms, rather than a set rate per hour. The draft amendment was modified to allow the CDD to make changes to the number of hours scheduled for gate and patrol operations through further amendments to the contract approved by Fiddler's Creek Security and the District Boards. The Boards voted to authorize the respective Chairmen to sign the revised amendment after review. The new terms are in affect immediately.

There was considerable discussion concerning the obligation of the Districts to fund clearing and maintenance of the preserve area south of Fiddler's Creek. On a preliminary basis, Tony Pires, Board attorney, is of the opinion that the Districts have very limited responsibility under the existing permits to fund such expenses. While this issue is not resolved at this point, preserve maintenance activities are being curtailed.

Hank Morgan of Gray Robinson, Bond Counsel to CDD#1, provided the Board with an update on the issue of CDD Bondholder Trustee's actions to transfer certain monies from the 2005 Series Bond construction account to prepayment of principal on the bond. Among other findings, Mr. Morgan advised the actions of the Trustee were permitted under the bond indenture. He further advised that the action did not appear to put the bond tax exempt status at risk. The Trustee did, in fact transfer an additional \$1.5 million dollars in September 2010 from the construction account leaving a balance of approximately \$755,000 in the construction account. CDD #1 Board thanked Mr. Morgan for his report and asked him to remain on call to the Board if further issues arise.

No further business of significance occurred.