

Meeting Summary
Fiddler's Creek CDD#1
September 21/22, 2010

The regular meeting of the CDD#1 Board of Supervisors (in joint meeting with CDD#2) was called to order by the District Manager, Chuck Adams at 1:00 PM on Tuesday, September 21, 2010 with all Supervisors present. Supervisor Slater participated by telephone.

The first order of business was a request by Board Bankruptcy counsel, Mr. Dan Abbott of Weiss Serota to hold an Executive Session with the Board on Wednesday, September 22, 2010 to discuss legal strategy regarding the bankruptcy of Fiddler's Creek LLC (et al).

Mr. Adams then introduced the subject of the Workshop which was to discuss and agree on all aspects of Access Control services including gate operations and roving patrol. Additionally, discussion was to be held concerning future direction with respect to the existing contract for Access Control (Security) services with FC Security.

Mr. Brougham presented 31 e-mails from Fiddler's Creek residents that he had received relative to Access Control Services for inclusion in the record. Additionally, Mr. Brougham read into the record an e-mail from Mr. Turner on this subject.

The two Boards, as well as numerous Fiddler's Creek residents discussed each aspect of access control services in depth with opinions being exchanged to either increase services and cost or reduce same. After lengthy discussion the two Boards agreed and voted affirmatively on the following:

- 1) All three entrance gates will continue to be operated as currently operated with no change in hours of Safety Officer presence. Championship Gate will continue to be un-manned and "resident only".
- 2) Roving patrol will continue to be 24 by 7, seven days per week throughout the Community.
- 3) District Staff was directed to prepare an amendment to our current contract with FC Security for review by the Boards at the October meeting. Key components of the amendment will be that FC Security

will bill the CDDs for actual labor, benefit and uniform costs. This is in contrast to the current contract in force which billed labor at a fixed rate per hour. Additionally, the amendment shall specify a minimum and maximum labor rate per hour with a cap on annual labor expense. Further the amendment will memorialize that the reimbursement of labor, benefit and uniform cost to FC Security will not be subject to the 3 ½% management fee benefiting FC Management. Finally, the amendment or attached documents will specify the system of controls to validate and approve all costs before rendering payment by the Districts. Once the amendment is reviewed and approved by the respective Boards, the new processes will be in affect and planned for the 2010/11 fiscal year.

On Wednesday, September 22, 2010, the Board of Supervisors convened once again at 8am. Both Boards received updates on the status of the bankruptcy case from respective counsel as well as reports from the District Engineer, Terry Cole and Board attorney Tony Pires. Of note, Mr. Cole advised both Boards that the CDD Bondholder Trustee had advised that they would not authorize payment of any invoices relative to the CDD bond “construction account” until further notice. Of concern is the fact that previously approved work has been completed and invoices are outstanding for approximately \$100K. This matter will be taken up by respective Board Bond Counsel and hopefully resolved quickly.

Executive Session of the Board was convened at approximately 1:15PM with Bond Counsel Hank Morgan, of Gray Robinson and Bankruptcy Counsel Dan Abbot of Weiss Serota. Various matters were discussed in private and are of a confidential nature.. The meeting was adjourned at approximately 1:00PM.