

**MINUTES OF MEETING
FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #1 &
FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2**

A Joint Regular Meeting of the Boards of Supervisors of the Fiddler's Creek Community Development District #1 and Fiddler's Creek Community Development District #2 was held on **Wednesday, February 23, 2011 at 8:00 a.m.**, at the **Fiddler's Creek Club and Spa, 3470 Club Center Boulevard, Naples, Florida 34114.**

Present at the meeting were:

For Fiddler's Creek CDD #1:

Phillip Brougham	Chair
Jim Curland	Vice Chair
Jim Schutt	Assistant Secretary
Gerald Bergmoser	Assistant Secretary
Robert Slater	Assistant Secretary

For Fiddler's Creek CDD #2:

James Robertson	Chair
Manuel Correia	Vice Chair
Victoria DiNardo	Assistant Secretary
Gretchen Scott	Assistant Secretary
Peggy Schmitt	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Operations Manager
Terry Cole	District Engineer
Tony Pires	District Counsel
Ron Albeit	Fiddler's Creek Foundation
Aleida Martinez Molina (via telephone)	Weiss Serota, CDD #1 Special Counsel
Robert DeMarco (via telephone)	Treiser Collins, CDD #2 Special Counsel
Doug Darbout (via telephone)	Holland and Knight, Representing US Bank, 2003 Bond Trustee
Paul Battista (via telephone)	Debtor's Counsel
Tony DiNardo	Gulf Bay, Developer
Mike Williams	Bond Counsel, Akerman Senterfitt
Bill Reagan	Raymond James & Associates, Inc.

Warren Bloom	Greenberg Traurig, Trustee Counsel, Representing US Bank
Halle Alexander	Greenberg Traurig, Trustee Counsel, Representing US Bank
Andrew Sanford	ITG Holdings, LLC
Amanda Barton	ITG Holdings, LLC
Dan Carter	President, ITG Holdings, LLC
Elliot Miller	Resident
Scott Underwood	Representing Bond Indenture Trustee, CDD #2, 2004 Bond Series & CDD #1, 2005 Bond Series

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 8:00 a.m., and noted, for the record, that all Supervisors were present, in person, for CDD #1 and CDD #2.

SECOND ORDER OF BUSINESS

Discussion: Corrections/Additions to the Agenda

Mr. Brougham asked to add an item entitled School Bus Stop to the Agenda under Fiddler's Creek CDD #1 items, after the Fourteenth Order of Business. Mr. Brougham asked to add a discussion on the status of the homebuilder escrow process that was discussed last month, to the Joint Meeting items, after Item 6. Mr. Adams asked Mr. Brougham if he was referring to the sidewalk damage issue. Mr. Brougham replied affirmatively. Mr. Adams noted that issue is the subject matter of the Eighth Order of Business. Mr. Brougham asked to add an update and discussion of the traffic analysis for the traffic light at 951 and Fiddler's Creek Parkway, under the Engineer's Report.

- **Approval of February 23, 2011 Joint Regular Meeting Agenda, CDD #2**

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Ms. Scott, with all in favor, the February 23, 2011 Joint Regular Meeting Agenda, as amended, was approved.

- **Approval of February 23, 2011 Joint Regular Meeting Agenda, CDD #1**

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Curland, with all in favor, the February 23, 2011 Joint Regular Meeting Agenda, as amended, was approved.

FIDDLER'S CREEK CDD #2 ITEMS

THIRD ORDER OF BUSINESS

**Update: Bankruptcy Proceedings -
Robert DeMarco**

Mr. DeMarco reported that the hearing on the disclosure statement was held, there were a number of objections and the court agreed to entertain an order of the disclosure statement being approved, with the revisions worked out, before and during the course of the hearing. The disclosure process should be, theoretically, at an end. Mr. DeMarco indicated Mr. Battista can comment to the extent that any follow-up will be required or if there are any problems.

Mr. DeMarco indicated, at the hearing, the settlement agreement with Fifth Third Bank was approved, subject to revisions to the order. Mr. DeMarco provided the proposed order to Mr. Adams, who distributed it to the CDD #2 Board. Mr. DeMarco recalled a concern that the order appeared to provide that the property, to the extent that any property was being transferred to Fifth Third, was going to be free and clear of any and all liens and encumbrances, which could have been detrimental to the liens and encumbrances of senior lienholders, such as the tax liens and CDD assessments; however, the terms were worked out between the parties. Mr. DeMarco felt there is nothing for the Board to do now. If the Board has any objections to the order, they need to notify him so he can file a motion for reconsideration. He noted he feels the order provides the appropriate protections for CDD #2's interests. Mr. DeMarco indicated the order has not been signed but he does not expect any issue; it just takes the judge some time.

Mr. DeMarco indicated there is an interim order in hearing on the 28th for the usual budgeting, financing and etc., matters, meaning, there is another 13-week cash budget being proposed. He concluded, at this point, they are waiting for the disclosure statement process to finalize itself and then there will be deadlines set for purposes of balloting and objections, as well as the confirmation hearings being set. Mr. DeMarco estimated this to take place mid-May, 2011.

Regarding the recent hearing, Mr. Robertson voiced his appreciation to Mr. DeMarco for his efforts on behalf of CDD #2.

FIDDLER'S CREEK CDD #1 ITEMS

FOURTH ORDER OF BUSINESS

**Update: Bankruptcy Proceedings - Aleida
Martinez Molina**

******Portions of this section were transcribed verbatim.******

Ms. Martinez Molina: Yes, in addition to what Bob just mentioned, another matter that was heard at the last hearing, last week, was the debtors' second motion for authority to finance insurance; no objections and it was granted. This is something that is necessary, painful but necessary. Also the debtors' third motion to extend a proof of claim bar date for intercompany claims; that was also granted.

Ms. Martinez Molina: If I could just go into a little bit more detail as to the amended disclosure statement hearing, the debtors were going to hone in on certain issues and we look forward to them, including providing a debt service schedule, further describe what the term debt means in certain parts of the disclosure statement, defining unpaid and accrued interest and how it is computed, clarify the definition of mandatory buydown and then, of course, the issue of O&M amounts due; what exactly does the debtor mean in the plan, and Mr. Battista clarified that the plan itself addresses amounts that were due as of the petition date...

Mr. Brougham: Aleida.

Ms. Martinez Molina: ...that, thereafter, the debtors are going to work with the CDDs as to post-bankruptcy amounts but that is something that we are hopefully going to work out but, if not, we need authority to, CDD #1 needs authority to file appropriate motions to address it, head-on.

Mr. Brougham: Aleida, Aleida, this is Phil Brougham, let's clear that issue up right now, if we might. Paul Battista, you're on the phone, are you not?

Mr. Battista: Yes, I am.

Mr. Brougham: Just as background for others, there has been an exchange of emails and dialogue, over the last week, or so, between counsels and at least CDD #1 Board Members, on the "question" regarding the payment, by the debtor, of pre and post-petition on-roll and off-

roll CDD assessments. The last email I was made a copy of from you, Paul, to Jordy Guso, counsel for the OUCC, reaffirmed your position but, for the record, here today, so we can clear this matter, could you state what the Amended Disclosure Statement, that was heard last week, provides for, in terms of payment of all pre and post-petition on-roll/off-roll CDD assessments, please.

Mr. Adams: Operations and maintenance assessments.

Mr. Battista: Sure thing, I will do that, this is Paul Battista. Now, my understanding, Phil, that this is focused on the O&M, operation and maintenance assessments imposed by...

Mr. Brougham: That's, that's correct, that's correct Paul.

Mr. Battista: To be clear on the off-roll O&M assessments, on property owned by the debtors, my understanding is we are and have been current and we intend, of the plan, to remain current, going forward. That (inaudible) could have been an issue.

Mr. Brougham: It's somewhat of an issue on the off-roll you're delinquent one (1) month and that's month of February, 2010, for both Districts.

Mr. Battista: I apologize, that is actually, under our plan, that is going to be paid, in full, on the effective date, so we will pay that one (1) month, in full, on the effective date for the off-roll O&M assessment, on the property we own and, under the plan, we are obligated to remain current, going forward, so that should clean up the off-roll O&M obligations. The on-roll obligations are a little bit different because, as you know, that is incorporated into the real estate tax bill. Now, my understanding is, the 2008 real estate tax bill has not been paid by the debtors but has been sold at tax certificate, so, the on-roll O&M assessments, owed to the Districts, should have been paid to the Districts by the tax assessor, or tax collector, excuse me, when those 2008 tax certificates were sold.

Mr. Brougham: That's, that's correct.

Mr. Battista: Good, so with respect to the year 2009 and 2010, which are currently due, for on-roll O&M assessments, we have not paid those two (2) tax bills. We have agreed, under the plan, that we're going to separate out from the tax bills, the O&M on-roll assessments, as of the effective date of the plan, pay the entirety of those unpaid, on-roll, O&M assessments, as of, you can use the date of May 15th, whatever the effective date is, right around May or June, we will make that payment on the effective date of the plan. That will mean that the O&M

obligations, on-roll, will have been paid in full through the year 2011 because my understanding, that the amounts outstanding for the 2010 tax bill are paid in advance for the 2011 calendar year.

Ms. Martinez Molina: Paul, sorry, this is Aleida, there is background noise, can you repeat what you just said, I'm sorry.

Mr. Battista: Sure, I'm at the airport and I apologize. What I said is that we then, therefore, owe the O&M on-roll tax assessments, let me do this maybe a little better, we owe the 2009 and 2010 tax bill, which includes the on-roll O&M assessments due both CDDs. It is our intention to separate out the O&M portion of those two (2) tax bills, 2009 and 2010, and pay that amount, in full, on the effective date. My understanding is, when that amount is paid, on the effective date, we're talking roughly, probably late May/June, if we effectively confirm in May, that payment will be made. That will bring the O&M on-roll assessments current through calendar year 2011 and then, of course, as we go forward, the 2011 tax bill, which will come out in November of 2011, the debtors have an obligation to pay on a timely basis. So, I think that covers both the off-roll and on-roll O&M obligations that we owe to the Districts and how those are going to be paid.

Mr. Brougham: Just one further....

Mr. Battista: Does that clarify the issues?

Mr. Brougham: Yes, it does, at least from my point of view. One thing you did not mention, that I think we should put on the record, as well, is your payment of the on-roll CDD #2 O&M, or CDD O&M assessments will be net of any advances, to cover shortfalls, made since you filed for bankruptcy.

Mr. Battista: Thank you for that clarification, Phil. I was going to go there, because we made, obviously, a sizable loan advance, we describe it, to District #2, which have to offset, at the time we make the payment on the on-roll obligations. We also made a small advance to District #1, which we will do the same netting.

Mr. Brougham: Thank you, Paul.

Ms. Martinez Molina: Paul, I have a question. I'm sorry, this Aleida Martinez Molina. Going forward, the post-petition, paying on a timely basis, so it would not be...this separation, from the other tax issues....before, it was all together, lumped together with other tax obligations, now you're going to, with respect to 2009 and 2010, you're going to separate them

and pay them out, on a going forward basis they are going to go back to the usual method of taxation on-roll, correct?

Mr. Battista: That's correct, that's correct. We are not seeking to change the uniform method of collection by the county, we're simply, instead of paying that tax bill out over four (4) years, which we are entitled to do, we've agreed to pull the O&M obligations out and pay them, up front. We're going to have to, on an administrative basis, work with the county to make sure that they understand what we are doing so there's no miscommunication with them, with respect to the '09 and 2010 tax bill, but we'll do that, but going forward, we're not seeking to change the uniform method of collection.

Ms. Martinez Molina: Okay, thank you.

Mr. Darbout: Paul, hi, this is Doug Darbout, a quick question. On 2008, I didn't quite follow where that is, is that...there's a tax certificate outstanding?

Mr. Battista: Yes, the 2008 taxes were delinquent and my understanding is the county issued tax certificates for the entirety of the 2008 tax bill, and so those certificates were sold and the money was paid to the county and I assume the money went from the county to wherever it had to go.

Mr. Darbout: Okay, so are you...go ahead Paul.

Mr. Battista: So we intend to pay, we pay that 2008 tax bill under the Section 1129, which is effectively four (4) years from the effective date.

Mr. Darbout: Okay, thanks. That answered that.

Mr. Battista: You're welcome.

Mr. Brougham: Thank you, Paul.

******Summary transcription resumed.******

Ms. Martinez Molina indicated there are two (2) pending sale motions; they are working on the wording of the motions and are hopeful for an agreed order. Ms. Scott asked if there was a standardized format for the sale motions. Ms. Martinez Molina replied affirmatively; however, there are items that need to be ironed out.

Mr. DeMarco indicated his intention to ask for authority, from CDD #2, to remain on the line to listen to the discussion related to bond restructure, as that is part of the plans being suggested by the debtors. He feels it is important for counsel from both CDDs to hear the

discussion. Both Boards unanimously consented to allowing both Mr. DeMarco and Ms. Martinez Molina to remain.

JOINT MEETING ITEMS

FIFTH ORDER OF BUSINESS

Presentation/Discussion of Proposed Revenue Bond Restructure/Exchanges that are a part of the Bankruptcy Reorganization Plans (Paul Battista [Debtor's Counsel], Bill Reagan, [Underwriter, Raymond James] Mike Williams [CDD Bond Counsel])

******This section transcribed verbatim.******

Mr. Adams: The next item is a presentation/discussion of the Proposed Revenue Bond Exchange Program, which is, I think, we all realized, in reviewing that 268-page financial disclosure, is a major component to the reorganization, and we have Mr. Bill Reagan, who I think many of you remember from a couple of years ago. He is from Raymond James and Company, as underwriter. Mr. Mike Williams, who you all approved engaging as your bond counsel, for both Districts, at your prior meeting, from Ackerman Senterfitt and, of course, Mr. DiNardo, with the debtor, Gulf Bay, to run through a presentation of the plan and any items that you need to be aware of.

Mr. Robertson: If I may, Chuck, about a week-and-a-half ago, Supervisor Brougham, Chairman of District #1, and I met with Mr. DiNardo and invited him to come to this meeting, specifically to make this presentation because there are so many, not loose ends, but unknown things that need to be tied up. Bill, I'm glad you can come, too. So Tony, do you want to start, or Bill starts?

Mr. Reagan: I like how he just points to me.

Mr. DiNardo: It's his brainchild.

Mr. DiNardo: You're his paid investment banker, so...

Mr. Reagan: When I get the check, we'll agree.

Mr. Brougham: There's a mike right behind you.

General dialogue regarding how to work the microphone.

Mr. Reagan: First, we've been through negotiations with all the bondholders and a lot of discussion about different restructuring plans and, probably, I think the most important part is that the basic structure and framework of what we're trying to do is, number one (1), pay back all the principal and interest that has not been paid, in past '08 and '09, and also pay, through a forbearance period of one (1) or two (2) years, depending on the transaction, going forward. The goal of the transaction is, is not to not pay anyone, any of the amounts that were due, and that's the framework that was filed. Now, the details of each one of these, and keep in mind we have two (2) Districts, five (5) different scenarios, each with different interest rates, each with different maturity rates, each with basically a different structure. So, the massive amount of restructuring and the amount of mathematical work that goes into the analysis of this is heavy and we've met with everyone, I think, except one (1) bondholder, who happens to be, last I talked to him, is snowed in, in Syracuse, but he has the plan and, what we came to the conclusion of is, because there is no solid foundation of agreement on the proposed plan of what we were proposing to them on the back payment of principal and interest, in the forbearance period, debtors' counsel filed a general plan, which I think is part of the whole financing mechanism, which is what I think some of us are referring to as the 150 page document. We're still talking, we're still going on. As of last night, I was talking with one (1) of the investors at 5 o'clock, trying to come up with a plan that works for both sides of the party.

I also think the third component to the plan is that the cost involved in restructuring this is not born by these Districts or any of the benefit holders of the District; it is all paid by the obligator, the developer. So, in summary, you have, you have a plan that has been laid out on the table, proposed to the bondholders of how they would repay their debt, whether it's a one (1)-year, two (2)-year forbearance, all of it being paid at the time of sales, all of it to be paid, hopefully, within a period of three (3)-to-five (5) years, depending on the absorptions. I think those are some of the contentions, on their side, that they have to be concerned about, on the timely payment of their debt, because you don't want to find yourself back in the same process, as we stand here today. We've also conferred with your bond counsel to make sure the proposed structure we recommended is, #1, federally sound and meets the state statutes. There's a couple of objections that were raised by some of the bondholders' counsel; I think we can work our way through those. I've been working closely with Paul, trying to define, I think one of the lawyers

was asking, two (2) or three (3) terms; we defined each one of those terms, whether it was accrued interest, buydowns, paydowns, so everybody knows what it is we are trying to structure. I think, at this point, I'll be happy to answer any questions that someone would have, on the structure, and, I'm sorry, we can probably provide you, if counsel allows me to, the detailed analysis of each one of the debt, but I don't know if that's part of the finance plan that was filed in the petition.

Mr. Robertson: Would it be correct to very simply say, each one (1) of the different classes of bonds, you're replacing with a new bond, to incorporate outstanding and due.

Mr. Reagan: Yes, I think where you're trying to go, Jim, is that some of these, besides the '05 series, in the two (2) different Districts, and the different structures of each one of them, we also have on-roll and off-roll and we also have some people that are living in some of these communities that the debt's allocated and some that there's no individuals living in the properties. So, what we try to do, anyone that's living there, is that, who ever has a special assessment on their property is not affected by this plan, all the restructuring take place on the obligor's own property. Now, that requires us to go through a bifurcation but it also enhances their property, so, I think most of the bondholders we discussed with and everyone, no one's offered any objections on that plan.

Mr. Robertson: Bill, we heard from Bob DeMarco in terms of the ongoing schedule and, evidently, sometime in May, all of the little things come together, if you will, hopefully. How does this fit into that, does this have its own schedule or is does the court mandate that all these things tie together, at that date?

Mr. Reagan: You know, Paul would probably be better to answer but I'm sure the schedule's going to be very tight, the May schedule, I mean, if this needs to be accomplished within the next 60 days, where everybody's in agreement or, I mean, I'll turn to Tony, or you all fight it out in court. There has to be an agreement, at some point in time, about how we are going to restructure this outstanding debt.

Mr. Robertson: Just to restate what you said, for every homeowner in District #2 and also District #1, their existing amortization schedules of the current bond series doesn't change, one (1) penny.

Mr. Reagan: That's correct. The way we separated it out, in one (1) of our proposed plans, was anybody's property that's on-roll, and that could be units sold or units that are built, so we kept those off of the on-roll, everybody that wasn't owned, which means it was probably owned by the developer/obligor, that's the debt that we restructured. And the cost of all that, again, I want to emphasize, it's over a million dollars, it's all being paid by the developer.

Mr. Brougham: Phil Brougham. Also, just to be clear, particularly for some residents in the audience, my understanding of the confirmation process is that the respective CDD Board of Directors will cast the votes for, or against, confirmation, and not the bondholders. The bondholders, per se, are not going to vote. Is that correct?

Mr. Reagan: That's my understanding but I want Paul to answer that question.

Mr. Brougham: Mr. Battista,

Mr. Reagan: Did we lose him to an airplane?

Mr. Adams: He is on mute. Paul, can you hear us?

Mr. Darbout: Sorry, this is Doug Darbout. I have, I guess, a question related to that.

Mr. Brougham: Well, let's get an answer, first. Excuse me.

Mr. Battista: Paul Battista, I apologize.

Mr. Reagan: Hey, Paul, no problem. Did you hear the question?

Mr. Battista: I did and the direct answer to the question is it is our position that the obligations that we owe for O&M and bond debt assessment are owed to the Districts and, therefore, the plan is set up such that CDD #1 has the right to cast a ballot on several classes of claims and CDD #2 has a right to cast a ballot on several classes of claims and we have not set up any mechanism for the bondholders to cast a vote because we don't believe the bondholders have a right to vote.

Mr. Brougham: Thank you, Paul. I just wanted that out there.

Mr. Darbout: As far as that issue, again, this is Doug Darbout with Holland and Knight, there's probably going to be a disagreement on that particular position but it is a threshold matter and maybe this is a question for Mike. To the extent that there will be changes in the maturity of some bonds, do you agree that it would take 100% approval of each of the bondholders to agree to a change in the terms of the indenture?

Mr. Williams: I think there is one (1) structure where the bondholder has actually requested that it was an A bond and a B bond and the B bond was structured to be due, I believe, in 2016 and the bondholder actually asked us to carry that out to 2036. There was another bond, I think it was 2003s that have different maturity dates but, again, that's a negotiating point, if we don't get 100% or we don't meet all the federal guidelines or the state statutes that are required, then we would go forward on that point.

Mr. Darbout: Mike and Bill, have you seen the objection filed by the indenture trustee to the disclosure statement that contained a number of issues that the trustee raised on behalf of the bondholders?

Mr. Reagan: I saw the consolidated one, I think, that was prepared, on behalf of all the other trustees' counsel, by Greenberg, and, most of those questions, if not all of those questions, were answered in our presentation to the individual bondholders. So, I think, what they objected to was probably cleared up before the objections were realized that they already had the information but we also, through Paul, have clarified any of the points that were brought up at the last hearing. So, Doug, you represent the 2003s?

Mr. Darbout: Yes, correct.

Mr. Reagan: They have the full plan, so they should be able to help you with any of those objections in there.

Mr. Darbout: We'll circle back and talk with them then. I didn't understand that to be the case, so, we'll check.

Mr. DiNardo: Doug, this is Tony DiNardo, representing the developer. Do you represent 100% of the 2003s?

Mr. Darbout: Our firm represents the indentured trustee, US Bank National Association. **Unidentified Speaker:** I guess that's a yes?

Mr. Darbout: Well, I think it could be correct. We represent the trustee, we're not, technically, the bondholders' counsel, as such. They certainly tell us what they think and we pass that along; it's ultimately their money that's being argued about here.

Mr. DiNardo: So, you have the list of all the 2003 bondholders?

Mr. Darbout: I don't know what I...I can't say that I have the list. I don't know whether the trustee does or not. I don't know how, these bonds are held through DTC and I don't know whether each of the bondholders has been identified, at this point, or not.

Mr. Brougham: What does DTC...

Unidentified Speaker: Depository Trust Company. It's part of the cosmo that we run the system through. It's the ultimate cloud.

Mr. Brougham: There's adequate clouds in the room, we don't need any more.

Mr. Robertson: Bill could I get up for a second? The Board has a couple questions from the people who are present here. Mr. Sanford, I think, just identify yourself and ask whatever question.

Mr. Sanford: Yes, my name is Andrew Sanford. I did just want to point out, Bill, we had met before. Before the US Bank had filed that joint objection and so I would argue that, or I would differ that *inaudible* they did not address the points that we discussed and all of the questions that came about in that objection were not addressed at that meeting; or else it would have...or else... our, the objection would not be in that.

Mr. Brougham: Okay.

Mr. Robertson: One (1) other question. I can really see...

Ms. Alexander: Sorry, Halle Alexander, Greenberg Traurig, to represent US Bank on everything but the '03 bonds. Is the intention to get 100% bondholder consent for the restructuring, otherwise it wouldn't go forward?

Mr. Reagan: If we change the, I think the indenture requires it, if we change the maturity date, payment dates or even the interest, we probably need approval from 100%. There are some, including, I think, maybe, your firm, would tell us, if they are in default, would we only need 51% of approval, working with other transactions with your firm, so, we haven't gotten that far but our hope is that everyone would agree to some form of restructuring or, whatever the alternative be to that.

Mr. Bloom: Bill, this is Warren Bloom. I, on this deal, we haven't, we haven't stated that right now. I think your analysis is correct, if that was Bill, that these types of changes are 100% changes.

Mr. Reagan: Thank you, Warren.

Mr. Carter: My name is Dan Carter. I am President of ITG and Tony was asking about the 2003s. Just, for the record, I do own a controlling interest in the 2003 series. I own quite a few of the other bonds, as well. I've got 20%, 25% of the outstanding bonds that are in question, that you're trying to get restructured. I hate to throw you under the bus there, Bill, we've been friends for a long time but....

Mr. Reagan: It's not the first time.

Mr. Carter: But, you know, you did meet briefly with Andrew and Amanda but there is really, you know, the projections that we're looking at are so pie-in-the-sky, I don't think there is any chance in the world that any of the bondholders are going to, because we are being paid out of promises, and all you are doing is kicking their can down the road. I don't, just for a matter of record here, I don't think there's hardly any bondholders, in fact, I don't know of a single one that is in favor of not getting paid something now and all this stuff going, you know, on promises that we're going to sell all this property that we weren't able to sell during the boom years and now, we're going to sell so much more during these very troubled times. We just don't feel the projections and being paid out of promises is really anything that is ever going to work.

Mr. Reagan: Let me just quickly respond, if it's okay. We met with Andrew and your associate for about an hour-and-a-half; it wasn't a brief meeting, I think it was a detailed meeting, number 1. Number two 2, on the absorptions, that wasn't really part, that's the obligor. I think the question is that part of your repayment process is through a projection made by an independent analysis that was done from the feasibility, so I think you can take that up with the obligor and how they came up with those numbers but I understand your objections, I don't dis...

Mr. Carter: I understand but somebody has to sell, your talking about restructuring and doing this stuff, somebody has to do it. You've been doing this for a long time, Bill. Is your firm, do you think your firm will be the one that is going to go out and be able to sell all these new bonds and raise this money and make all this stuff happen? Do you think Raymond James would actually do this?

Mr. Reagan: I think, at the right time, if the need is there for infrastructure and the market is correct, that's not only the capital markets but also the land markets, certainly we would underwrite the transaction.

Mr. Carter: But not right now and nothing in the foreseeable future.

Mr. Reagan: Well, if it wasn't right now, we probably would not be in default, right? I mean it's all timing on everything.

Mr. Carter: Well, I mean, there are other CDDs that are issuing bonds right now, there have been several so, even in today's market, for the right one, you can do it. But this isn't the right one, where anyone is going to be buying it.

Mr. Reagan: True, most of the CDDs that have done it in the last two (2) years have only been add-ons or bindings to existing facilities; they have not been raw land deals. That's a debate that you and I can have. I don't want to misguide the Board here, from the financing structure. One of the points that Dan, the 2003 majority bondholder, made is that he is not, and I think it was in their objection, they do not accept the absorptions of how they sell units, you know, Tony, maybe you can respond to that better.

Mr. DiNardo: When we did our absorptions and I don't want to get too much detail into it because there will probably be something that people have to testify to and be a point of argument but, one of the things we did match our absorptions to is to an analysis that was done by Dr. Hank Fishkind and Hank did all the methodology for all the bonds that are here. So, there will be an expert witness to testify against the absorptions.

Unidentified Speakers: You mean for the absorptions.

Mr. Brougham: Mr. Chair.

Mr. Robertson: Yes, Elliot.

Mr. Elliot Miller: Yes, I have some question about where this goes if there is not 100% agreement and, if, at the end of the day, you're eloquence and expert testimony is not adequate to convince some holdouts. What are the alternatives?

Mr. Reagan: I imagine the judge will make that an alternative.

Mr. Miller: So, the alternative is that you have a hearing on it and a cramdown session and the judge decides. Is that the answer?

Mr. Reagan: I think that is probably the process that it goes through. I don't think that the obligor, or anybody in this room, wants to go through the whole cramdown of the bondholder, if that's even possible, it's possible but I'll let the lawyers figure that out.

Mr. Miller: But, in the ultimate sense, if there's not an agreement, there's going to be a judicial determination.

Mr. Reagan: I would think so.

Mr. Miller: Okay.

Mr. Reagan: Yes.

Mr. Robertson: Mr. Sanford

Mr. Sanford: Do you think that that courtroom would be the proper venue for that, given that the bondholders are not a party to this case, the CDD is, how could you cramdown the debt of a non-debtor.

Mr. DiNardo: Why don't you ask your lawyer?

Mr. Brougham: If I'm not, I'm not sure, but we can have a debate amongst lawyers and restructuring financial people for hours and hours and not move our agenda at all.

Unidentified Speaker: I've never wanted to (*inaudible*) with lawyers, anyway.

Mr. Reagan: Are there any other questions?

Mr. Robertson and Mr. Brougham: Thank you, Bill.

Mr. DeMarco: Can I be excused on this one (1) point? This is Bob DeMarco. It's clear, from the Disclosure Statement, Mr. Battista can comment more on this, if he wants to, it's clear from the Disclosure Statement that the debtors' position is that they do not have to deal with the bondholders; the bondholders don't have standing and I believe, and I can't find the page, unfortunately, in the Disclosure statement but I know it's there. The debtors basically take the position that they are going to exercise their rights, under the Chapter 11 bankruptcy process, even if it means putting the CDDs into default. So, that's kind of the answer to the question "what happens if the bondholders don't agree" and I think, ultimately, that's going to be a very interesting question for the CDD Boards and their respective counsel to talk about. What happens if they are put in the unfortunate situation of being placed firmly between the hammer and the anvil and that's going to be a topic for a later discussion. But, that's the elephant in the room.

Mr. Robertson: Yes, sir.

Mr. Underwood: Hello, my name is Scott Underwood. I'm here on behalf of the indentured, bond indenture trustee, for the CDD #2 2004 bond series that is in connection with

100% of that bond series and CDD #1 2005 bond series, also 100%. I would just like to make a request that today's meeting and the minutes be transcribed or the tape be transcribed from today's meeting, because I do believe it will be very relevant in the future.

Mr. Adams: Actually, what we can do, since we record it digitally, is we can provide you with the MP3 file which will be the entire recording of today's meeting.

Mr. Underwood: That would be great, I'd be happy to get that transcribed.

Mr. Robertson: Mr. Underwood, since it's by law, a public meeting, you have right to that and we will provide it to you.

Mr. Adams: Our transcription tends to be somewhat summary, so, and it is much easier just to get you the actual recordings.

Mr. Underwood: Thank you.

Mr. Robertson: Thank you, Bill. Tony, are you next on your presentation?

Mr. DiNardo: I'm done.

Mr. Robertson: You're done, okay.

Mr. Adams: Engineer's Report.

Mr. Brougham: No, 6A., unless we moved it to another number.

Unidentified Speaker: It's #8.

Mr. Brougham: Oh, it's #8, okay, pardon me.

Mr. Adams: It's already on the agenda.

Mr. Brougham: Pardon me.

Mr. Robertson: Okay, Mr. Cole.

Mr. DeMarco: Well, folks, in the interest of saving money for the CDD Boards, is there anything further that CDD Board #2 would want me to stay around and listen to?

Ms. Martinez Molina: And, for that matter, CDD #1, as well.

Mr. Robertson: You are probably right, Bob. I don't think there is anything that directly relates to you, from here on out, in the agenda.

Mr. DeMarco: Okay, well with that....

Mr. Correia: Wait a minute. Before you go, Bob, Jim, Bob's last comments really caused us a lot of reflection. As a CDD #2 Board Member, I don't want to be between a hammer and an anvil, so, at the next Board meeting, probably it would be good to have a discussion on

this; how we cannot only monitor the situation, as it's going on but, also, what are the...what are the protections we can put in place for ourselves and how do we respond to different scenarios so, rather than have them slap us in the face, I'd like us to think about it ahead of time. Can you do that, Robert?

Mr. DeMarco: I don't want to think out loud because it...I'm wondering whether that kind of discussion is something that is appropriate for a public meeting or whether it would be...

Mr. Correia: Executive session, executive session would be fine.

Mr. DeMarco: Yes, I think that the...unfortunately, the way things are progressing in this case, the time constraints are always going to be a problem. I don't know when I'm going to have, in my possession, all of the finalized, revised disclosure statement, any amendments to any plans that would be done in accordance with the revisions that were made to the disclosure statement and I don't know, to what extent, I'm going to be privy to any discussions between the bondholders' counsel and Raymond James folks, with respect to their negotiations as to how much the bondholders are willing to give and to what extent they are willing to go along with whatever restructure is proposed in the plans. We can talk about, as a practical matter, we can talk about, in general terms, the nature of the positions that the CDDs' find themselves in, which, I can tell you, based on my research and based upon talking to folks that I've dealt with, that this is a somewhat of an unprecedented situation, let me put it that way. There's not a lot of case law out there. There's not a lot of structure that I can look to with respect to what the outcome is going to be in the event that both the bondholders and the debtors reach an impasse. So, we can talk about that in generalities, the court, obviously, only has jurisdiction over parties that are before the court and, to the extent the bondholders insist that they have standing, one of the questions that was raised, during the course of the Disclosure Statement hearing, by one of the counsel and of course I don't remember which counsel it was but he basically wanted the court to rule on the issue of whether or not the bondholders had standing. The court declines to entertain an advisory opinion, at that point, and suggested that, to the extent that this issue was going to rear it's ugly head, and it obviously is going to, that there should be a motion put before the court, with notice to everyone so that everyone can comment on it as to the standing of the bondholders to participate in the process and/or vote. From my standpoint, I've said this to everybody and this is no surprise, I, quite frankly, would prefer the direct participation of the

bondholders, in this process, and I know Mr. Battista is obviously going to disagree with this. I would prefer that only because, in my estimation, if you have a confirmed plan, where the bondholders have been allowed the opportunity to vote, they have been put into a class and they've had full voting privileges and then the court goes ahead and confirms the plan, over objections by whether its CDD #2, CDD #1 or any of the bondholders or any other creditors, under those circumstances, the bondholders, unless they appeal, would be subject to the terms of plan and it's a much better situation than having the scenario being that CDD #2 engages with the debtor, with respect to the confirmation of the plan, and then has, what I would describe as either a forbearance agreement or some other type of arrangement with its creditors, i.e., the bondholders, with respect to a forbearance to allow the bondholders, assuming the bondholders agree, then CDD will be allowed to make the payments to the bondholders, pursuant to the terms of the plan. So, it's kind of when we get paid, you get paid, kind of a situation. I don't, I think that process is going to be very costly. I think it's going to be a long time to try to negotiate such an agreement, if it's possible to negotiate such an agreement, it's going to take so long that I think, quite frankly, it wouldn't be done by the time confirmation comes around and a time when voting is required and, so, I think this whole process is going to be one where its really going to depend upon the bondholders' counsel and debtors' counsel and anybody else that's involved, with an interest, having the ability to be a little pragmatic and, if they are not, then when CDD #2 gets put between the rock and the hard place, then CDD #2 is going to have to make a determination as to whether or not it can even vote for a plan that would instantly put it into default, under its indentures with the bondholders. So, that's what we are looking at, kind of in a nutshell, and, I can tell you, kind of in general terms, what the bankruptcy code provides and the CDD #2 would effectively be subject to a confirmed plan, even if it voted against the plan, if, and the court does have the ability, to confirm a plan, even if one (1) or more classes vote against it, under certain circumstances, as prescribed, and, if the court finds that those circumstances exist, that it is fair and equitable to all the creditors, etc., then the CDD #2 gets stuck and then the question becomes what happens and then we would talk about the exercise, by the bondholders, of their legal rights against the CDD and what the CDD would be able to do and I think those choices and alternatives are limited and it's a bad situation for the CDD. But, I'm happy to meet with the CDD #2 Board in executive session anytime that you folks want to meet. I don't know

that I can have specific advice for you right now, I can only kind of tell you generally where it would be headed if no one reaches an agreement and the plan ultimately gets confirmed with these terms in it, without the bondholders consent. So, I'm happy to do that. You just tell me when and I will make arrangements and we will do it.

Mr. Robertson: Okay, Bob, that's good. Manny, there's nothing guaranteed in this business, some days you're the bug and some days you're the windshield.

Mr. Brougham: The only thing I have to say, on behalf of CDD #1, and I don't know if Aleida is on here or not...

Ms. Martinez Molina: I am.

Mr. Brougham: Aleida, as you've counseled, quite a few times, events are going to move rapidly, I think CDD #1 should be obligated to be as nimble as they can in response to whatever events happen in court. The next one's going to be on the 28th, if we're, if you're apprised of anything that's requiring your specific advice or bondholder counsel advice, then you get a hold of Chuck Adams and we'll do what we did ten (10) days ago and jump through hoops to get regular session announced and executive session and deal with it.

Ms. Martinez Molina: Yes, and on behalf of CDD #1, I would agree with Mr. DeMarco's comments on the issue of the bondholders.

Mr. Robertson: Mr. Miller, one (1) more question.

Mr. Miller: Yes, there's just one (1) more question, comment really, about what Bob DeMarco just said. This may be a case of be careful what you wish for because if the bondholders do become subject to the jurisdiction of the court, the application is made and the motion is granted, then it is clear, beyond (*inaudible*) of a doubt that they are subject to a cramdown and so this is all a two-edged sword. If they are not, they're not subject to the jurisdiction of the court, then there's an issue as to whether the court, and I think its clear that the answer is yes to this, the court can make a judicial determination which is binding on the CDDs. So, I just want to make the point that all of the negotiations here are, all of the negotiating tools are not in the bondholders' pockets.

Mr. Robertson: If you are a resident of District #2, recognize that everything we're doing here is trying to be in your best interest.

Mr. Miller: I appreciate that. I am very, very grateful for that. I recognize it and appreciate it.

*****Summary transcription resumed.*****

*****Mr. DeMarco, Ms. Martinez Molina, Mr. Darbout, Mr. Reagan, et.al., left the meeting.*****

SIXTH ORDER OF BUSINESS

Developer's Report/Update

There being nothing additional to report, the next item followed.

SEVENTH ORDER OF BUSINESS

Engineer's Report

Mr. Cole indicated he was given the okay to continue with capital projects again, which they had not been doing for the past six (6) months. He received most of the checks the day after the last meeting. For the first time since August, 2010, all pay draws are up-to-date.

Mr. Cole indicated, in November 2009, the budget for the CDD #1 2005 bond was about \$607,000; however, based on his update, the new projection is about \$490,000. He concluded that bond work is on track and under budget. The CDD #2 2003 bond had the lake erosion issue, occurring after the 2009 preparation. Mr. Cole indicated they estimated needing an additional \$400,000 to remedy the situation but he is still waiting on an answer. He needs to provide South Florida Water Management District (SFWMD) with an update and keeps telling them they are awaiting funding, pending bankruptcy delays.

Mr. Sanford asked why those lakes were not put into operation and maintenance (O&M) years ago, prior to the bankruptcy, when they received final approval from SFWMD, rather than continuing to draw on the construction account, which are funds intended to be used for further build out of the project. Mr. Cole indicated there are certain aspects of the lakes that are in operation. Mr. Cole spoke of the violation that was received from SFWMD and discussed erosion issues. In defense of Mr. Cole, Mr. Robertson indicated, when they first received notice of the problem from SFWMD, the Districts were operating under an approved list of things to be worked on and this was not one of them. Mr. Sanford acknowledged Mr. Robertson's statement but indicated he has 2007 correspondence saying they are good to go, put them in. Discussion ensued regarding factors that may have caused a delay, such as wind issues due to the lack of

development in CDD #2. Mr. Sanford suggested there are problems where there are buildings, taking away the wind argument.

Mr. Sanford indicated they kept the funds, do not intend on taking funds out and have not redeemed bonds. He wished to dispel any myths or rumors regarding why they have not immediately signed off or approved costs. He acknowledged understanding that the Districts want to be in compliance with SFWMD and assured he will not allow the Districts to go completely defunct of the requirements. He indicated, for the record, it is not their intention to take the funds and leave the Districts to figure it out on their own.

Regarding the CDD #2 2005 bond, Mr. Cole reported the original budget of \$1.8 million was approved September, 2009 and he revised it. The revised, overall budget, based on what they anticipate spending, is about \$1.5 million, a savings of about \$300,000. Mr. Cole indicated they paid all of the outstanding draws of which approximately \$300,000 was payments to FPL, from deposits. He met with FPL last week to confirm the amounts. This will continue the work to make those parts of the project whole.

Mr. Cole indicated the sidewalk repair contractor was paid. He is meeting with the contractor on Monday and work should begin next week and a lot of the repair should be completed, over the next few weeks, including Dr. Banaszak's sidewalk, on Mulberry.

A Board Member asked if the savings realized are because work was not completed or because it was completed more cost efficiently. Mr. Cole indicated the September, 2009 budgets were conservative and, through time, savings were realized because some things did not cost as much, the FPL deposits were less than originally anticipated, etc.

For the CDD #1 Series 2005 bond, Mr. Cole presented CDD #1 Requisition #54, for \$2,746.14, for professional fees for updating bonds, as well as retainage related to the Belle Mead Preserve clearing. Mr. Cole is coordinating with the environmental consultant to complete an inspection and provide recommended treatments, as discussed last month. In response to Mr. Brougham's question, Mr. Cole confirmed no active work is currently being completed in the Belle Mead Preserve. The clearing is complete and maintenance will be done later.

For the CDD #2 Series 2005 bond, Mr. Cole presented Requisition #68, for \$1,807.25, for tech support for updating the bonds, as well as a subdivision bond renewal. Related to the

CDD #2 Series 2003 bond, Mr. Cole presented Requisition #62, for \$3,047.50, for work related to updating the bond summaries and extending permits and coordination with subdivision bonds.

a. Traffic Analysis for Traffic Light at 951 & Fiddler's Creek Parkway

******This item was an addition to the Agenda, by Mr. Brougham.******

Mr. Cole indicated Mr. Brougham requested he provide information relative to a traffic signal study.

Mr. Brougham indicated it occurred to him that, in the past three (3) years, they have not had a traffic study with an objective of passing warrants for a traffic signal at the main entrance and this might be an opportune time to begin the process. He contacted someone at Collier County Transportation but he was not too helpful and referred him to the Florida Department of Traffic (FDOT). Mr. Brougham felt the District's past efforts to get a traffic signal were, perhaps, less formal than they should have been.

Mr. Cole explained some of the traffic signal warrants are based upon turning movement counts, a delay in the ability to turn and the amount of the delay, accident history and overall traffic volume. He noted the accident history is very minimal. Mr. Cole indicated traffic counts must be done every year; the Districts have paid the county for the traffic count study each year, with the costs coming out of the construction funds.

Mr. Cole contacted Mr. Mark Gillis, of David Plummer & Associates, regarding estimates for a traffic study. He noted the signal warrant study is over and above the normal traffic counts. Mr. Cole reported the counts are done for the intersections of 41 and Sandpiper, Championship and 951 and Fiddler's Creek Parkway and 951. A signal warrant study is more intensive, as someone must sit and count, rather than just putting out a counter. The estimate for the initial work is approximately \$9,000, which includes the annual count of cars and the base data to observe what is occurring with delays in traffic, to determine if a signal might be warranted. It would cost an additional \$3,000 for preparation of a formal signal warrant study. If the data did not support completion of the formal study, it would not be completed. The current opinion is that there is still not enough traffic to warrant a signal. The history of the traffic signal issue was discussed. Mr. Cole indicated most of the traffic is turning right, to the North, and delays are occurring when turning left into or out of the community. He noted FDOT does not normally allow right turn movements to be used in the warrant volumes, which works

against the CDDs. It was noted that many people turn right, then U-turn, to avoid turning left. Mr. Cole suggested that the left turn into the community counts could also be used.

Mr. Cole indicated the advantage of completing the study now is to obtain baseline data but he does not think they will currently have the data to support a signal. Mr. Brougham read from Mr. Plummer's email which notes Fiddler's Creek has opted to pay a fee, rather than conduct annual traffic monitoring; therefore, there is no recent count information and, if the location does not meet the warrants this year, the warrant study will tell them where the intersection is, within the warrant thresholds and would start the groundwork for next year by letting FDOT know that Fiddler's Creek is pursuing a signal.

Mr. Brougham asked if the \$9,000 cost for the full study would come from capital funds or O&M. Mr. Cole indicated there is enough money in the technical support budget to absorb this minor type of expense. Discussion ensued regarding when the last formal traffic count analysis was completed. Ms. DiNardo questioned whether the count would come close now, as there are not that many more residents than a few years ago. Mr. Adams asked if this was anticipated in any of the engineer's reports or bonds that CDD #1 would pay for the traffic signal. Mr. Cole replied affirmatively. Mr. Adams summarized the study can be a supporting document to get to a point where CDD #1 can consider an agreement to contribute towards a traffic light and possibly expedite the process. Mr. Cole confirmed the traffic light was anticipated in the 2005 bond but, when the bondholder approved work list was completed, it was removed so it is not in the currently approved bondholder list. Mr. Brougham confirmed this is a CDD #1 issue, voiced his support of the issue, while acknowledging there seems to be little support. Mr. Brougham asked for a motion to proceed with the traffic count study. There being no motion or second, no action was taken on this matter.

EIGHTH ORDER OF BUSINESS

**Update/Discussion: Draft Sidewalk
Damage Builder Deposit Program**

Mr. Adams indicated Mr. Brougham, Mr. Robertson, Mr. DiNardo and Mr. Albeit met on this matter. Mr. Albeit indicated they looked at the CDDs and The Villages and are considering a program whereby the Foundation would require escrow payments by any construction work, in the community, which could adversely affect the common area land. The feeling is that, by

doing this, an estoppel will go to the Foundation, any time work is being done and the Foundation can then send people to inspect. A preliminary draft was completed and will be distributed to the Boards for comment, once it is finalized. Mr. Pires noted any Board Member comments should be made at a public meeting, to avoid any Sunshine Law violations. Mr. Adams asked for the information to be sent to him for dissemination to the Board Members.

NINTH ORDER OF BUSINESS

**Approval of January 26, 2011 Joint
Regular Meeting Minutes**

Mr. Robertson presented the January 26, 2011 Joint Regular Meeting Minutes and asked for any additions, corrections or deletions. The following changes were made:

Line 41: Change "Glenn Faulker" to "Glen Fulker"

Lines 59 and 61: Change "debtors" to "debtors'"

Lines 61 and 63: Insert "." after cases and strike "and they must be properly classified."

Line 68: Change "obtained" to "available"

Line 72: Insert "Joint" before "Disclosure"

Line 73: Change "This" to "Disclosure Statement" and insert "along with the plans of reorganization" after "bankruptcies"

Line 74: Insert "filed as" after "objections"

Line 216: Change "Pires" to "Adams"

Line 260: Change "fill" to "filled"

Line 278: Change "Melaleuca" to "Malaleuca"

Line 467: Change "Venetta" to "Veneta"

Line 476: Change "Calista" to "Callista"

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Schutt, with all in favor, the January 26, 2011 Joint Regular Meeting Minutes, as amended, were approved.

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Mr. Correia, with all in favor, the January 26, 2011 Joint Regular Meeting Minutes, as amended, were approved.

TENTH ORDER OF BUSINESS

Other Business

There being on other business, the next item followed.

ELEVENTH ORDER OF BUSINESS

Staff Reports

a. Attorney

Mr. Pires had nothing additional to report but noted, if anyone wants to observe, on an individual basis, there is an operation in progress in Pelican Marsh where geotubes are currently being installed.

b. Manager

i. NEXT MEETING DATE: March 23, 2011 at 8:00 A.M.

Mr. Adams indicated the next meeting will be held on March 23, 2011 at 8:00 a.m., at this location.

c. Operations Manager

Ms. Crismond presented various proposals for work on the front entry decorative fountains and the Veneta fountain. The first item is approval for the retrofit of the front entry decorative fountains, which has been discussed for the past few months. The south fountain has never been on utility potable water, so the plan is to change it over and tie it into the current utility, on the north side. Ms. Crismond indicated bids were sought and recommended approval of Pinnacle Pools' bid, along with their bid for routine maintenance. In response to Mr. Brougham's question, Ms. Crismond confirmed this cost is from O&M money. Regarding which line item, Mr. Adams indicated it is an unbudgeted capital item and discussed the need to be proactive regarding this type of activity. Mr. Adams indicated they could consider including a capital outlay line item, in future budgets, to plan for these situations. Mr. Adams confirmed there will be offset savings in other areas of the budget which will help to offset this expense.

On MOTION for Fiddler's Creek CDD #1 by Mr. Slater and seconded by Mr. Bergmoser, with all in favor, the Pinnacle Pools proposal for \$6,288 for installation of the mechanical auto fill low chlorine generation system and underground boring required to retrofit the South fountain at the front entry fountains was approved.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Curland, with all in favor, the Pinnacle Pools proposal of \$6,504 for routine/yearly maintenance, at one time per week service, was approved.

Regarding CDD #2, Ms. Crismond reported on issues with the Veneta fountain and obtained quotes from three (3) companies. She found Pinnacle Pools to be the best quote and felt they were most qualified. She presented the cost estimates for cleaning of the fountains. Ms. Crismond recommended cleaning of the Veneta fountain this year and Aviamar in 2012, then schedule major cleaning together, every three (3) years. Mr. Adams indicated there is shortfall money and back money that will come into the District on the effective date of the reorganization plan. Discussion ensued regarding the frequency and/or timing of cleanings. The Board felt major cleanings should be completed every other year.

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Ms. DiNardo, with all in favor, the Pinnacle Pools proposal for \$3,448 for replacement of two (2) pump motors at the Veneta Fountain, was approved.

On MOTION for Fiddler's Creek CDD #2 by Ms. Scott and seconded by Ms. DiNardo, with all in favor, the Pinnacle Pools proposal for an amount not to exceed \$9,500, for major maintenance, including replacement parts, at Veneta Fountain, to be performed after Labor Day, was approved.

Regarding lake maintenance, Ms. Crismond requested approval from CDD #1, for costs related to treating bull rush on Lakes #35 and #37, abutting the golf course at Holes #6 and #7.

She indicated Mr. Vajen has received complaints regarding an overabundance of bull rush, which is creating a hazard and causing snake problems.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Slater, an expenditure of \$5,150 for removal and spraying of Bull Rush was approved.

Ms. Crismond indicated there were no patrol services in January; however, Management has now provided the 2011 schedule to the sheriff's department and confirmed that patrols will commence this week.

FIDDLER'S CREEK CDD #2 ITEMS

TWELFTH ORDER OF BUSINESS

**Unaudited Financial Statements as of
January 31, 2011**

Mr. Adams presented the Unaudited Financial Statement as of January 31, 2011, noting on-roll assessment money was received over the past few months. As a result, the CDD has been able to meet its expenses and not increase its shortfall funding from the developer; however, once those funds dry up, the District will, once again, need to seek shortfall funding.

THIRTEENTH ORDER OF BUSINESS

**Audience
Requests**

**Comments/Supervisors'
Requests**

There being no audience comments or Supervisors' requests, the next item followed.

FOURTEENTH ORDER OF BUSINESS

Adjournment: Fiddler's Creek CDD #2

There being no further business, the CDD #2 meeting adjourned.

On MOTION for Fiddler's Creek CDD #2 by Mr. Correia and seconded by Ms. DiNardo, with all in favor, the Fiddler's Creek CDD #2 meeting adjourned at 10:07 a.m.

FIDDLER'S CREEK CDD #1 ITEMS

▪ **School Bus Stop**

******This item was an addition to the agenda.******

Mr. Pires was asked to research the legal and liability responsibilities regarding establishment of school bus stops. Mr. Pires indicated, under Florida Statutes, the district school board establishes the school bus stops. It is necessary to provide a reasonably safe location and, if there are unusual traffic situations, then they make the determinations regarding adjusting the bus stops. Regarding any liability the CDD may have, Mr. Pires felt the CDD has minimal liability.

Mr. Slater advised, when exiting Fiddler's Creek Parkway, going to 951, there are children waiting for the bus in the dark, every morning, from 6:45 a.m., to 7:15 a.m. He noted that the students are difficult to see. He asked Mr. Charbonneau about any complaints.

Mr. Slater indicated that Mr. Charbonneau contacted Mr. John McCloskey, Safety Manager for the District School Board of Collier County, regarding the concerns. Mr. Slater felt Mr. McCloskey's response was esoteric, in that it implied there have not been any problems but, if there are any, then they will address them. Mr. Slater indicated he emailed Mr. McCloskey thanking him for his "investigation" and explaining to him a location where the bus stop could be relocated, which has better lighting. Mr. Slater indicated Mr. McCloskey's response was that he could have chosen better words in his first response but they are still not going to do anything, at the present time. Mr. Slater indicated Mr. Curland brought the problem of the afternoon bus drop-off to his attention, indicating there are problems with both the drop-off and parents and cars waiting to pick children up at the drop-off. Mr. Curland clarified this issue is with the Marco Island Charter Middle School bus and explained the issue is that cars are lining the street and it is difficult to maneuver the road. Mr. Curland felt several of the cars are parents of children who do not live in Fiddler's Creek but use this bus stop.

On MOTION for Fiddler's Creek CDD #1 by Mr. Slater and seconded by Mr. Brougham, with all in favor, directing District Counsel to draft a letter to the county school board and charter school regarding the District's bus stop safety concerns and asking them to consider other options, was approved.

Discussion ensued regarding whether Mr. Charbonneau's team could approach cars and/or people asking them to move. Mr. Pires indicated the Board could adopt an informal policy saying there shall be no parking or standing along CDD #1 roadways; however, they may end up needing to go through the formal rule making process. A question was raised regarding the impact of this policy on landscaping trucks and other vehicles, throughout the community. Mr. Brougham suggested Mr. Pires draft a policy for consideration at the next meeting.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Curland, with all in favor, immediate establishment of an informal policy stating there shall be no parking or standing on CDD #1 roadways and authorizing Staff to begin the rule making process to formalize this policy, was approved.

FIFTEENTH ORDER OF BUSINESS

Update: Public Funds NOW Checking Account (for informational purposes)

For informational purposes, Mr. Adams referred to the email response from the FDIC, confirming the CDD has full coverage over two (2) separate accounts, placed in the same institution. Regarding a comment in the FDIC response, Mr. Adams clarified the CDD has public funds NOW accounts and is covered.

SIXTEENTH ORDER OF BUSINESS

Unaudited Financial Statements as of January 31, 2010

In response to Mr. Brougham's question regarding why there is a due from developer amount of \$92,503 on the balance sheet, under general fund 001, Mr. Adams indicated both CDDs currently have two (2) months worth of outstanding off-roll O&M assessments. Mr. Adams indicated December and January O&M payments have not been received for either District.

Mr. Adams recalled Mr. Brougham's question, last month, about the \$4,900 for gate house repairs and maintenance. Mr. Adams indicated the costs were largely related to three (3) out of the ordinary expenses, including approximately \$1,500 for replacement of a gate arm motor, \$850 for replacement and installation of a DVR and about \$600 owed to a private

resident's vehicle was hit by an improperly working gate arm. He typically expects costs of between \$1,000 and \$1,500 per month for routine repairs and maintenance. Mr. Brougham questioned this month's expense of \$1,900 and suggested, as part of the upcoming budget process, Mr. Adams inventory the mechanical items in the District, tracking their age, original cost and replacement cost, so the Boards can consider setting up a small reserve account for these types of expenses. Mr. Adams felt it would be appropriate to start identifying capital outlay items because they will continue to see capital replacement items that are above and beyond routine repair and maintenance.

Brief discussion ensued regarding problems exiting through the back gate. Mr. Brougham asked that the proximity, sensitivity and positioning of the actuator on the loop be looked at to ensure it is at the optimum position.

SEVENTEENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors'

There being no audience comments or Supervisors requests, the next item followed.

EIGHTEENTH ORDER OF BUSINESS

Adjournment: Fiddler's Creek CDD #1

There being no further business, the meeting was adjourned.

On MOTION for Fiddler's Creek CDD #1 by Mr. Schutt and seconded by Mr. Curland, with all in favor, the Fiddler's Creek CDD #1 meeting adjourned at 10:30 a.m.

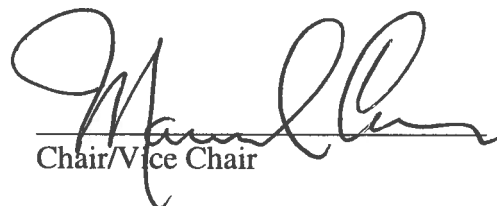
Fiddler's Creek CDD #1


Secretary/Assistant Secretary


Chair/Vice Chair

Fiddler's Creek CDD #2


Secretary/Assistant Secretary


Chair/Vice Chair