

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

The Boards of Supervisors of the Fiddler's Creek Community Development District #1 and Fiddler's Creek Community Development District #2 held Joint Public Hearings and a Regular Meeting on **Wednesday, August 24, 2011 at 8:00 a.m.**, at the **Fiddler's Club and Spa, 3470 Club Center Boulevard, Naples, Florida 34114.**

For Fiddler's Creek CDD #1:

Phil Brougham	Chair
James Curland	Vice Chair
Gerald Bergmoser	Assistant Secretary
Jim Schutt (via telephone)	Assistant Secretary
Robert Slater (via telephone)	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	Assistant Regional Manager
Tony Pires	District Counsel
Terry Cole	District Engineer
Aleida Martinez Molina (via telephone)	Weiss Serota, Special Counsel CDD #1
Robert DeMarco (via telephone)	Treiser Collins, Special Counsel CDD #2
Mike Williams (via telephone)	Bond Counsel
Alice Carlson	AJC Associates, Inc.
Paul Battista (via telephone)	Debtor's Counsel
Doug Darbut	Bondholder Representative (CDD #2)
Amanda Barton	ITG Holdings Counsel
Andrew Sanford	ITG Holdings
Elliot Miller	Resident
Torbin Christensen	Resident
Bill Klug	Resident
Tony DiNardo	Gulf Bay Communities
Mark Strain	Gulf Bay Communities

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 8:03 a.m. He noted that Supervisors Brougham, Curland and Bergmoser were present, in person, for CDD #1. Supervisors Schutt and Slater were attending via telephone. For CDD #2, Supervisors Schmitt, Correia, Robertson, DiNardo and Scott were present, in person.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the acknowledgment of exceptional circumstances for Supervisors Slater and Schutt to attend, via telephone, was approved.

SECOND ORDER OF BUSINESS

Discussion: Corrections/Additions to the Agenda

- **Approval of August 24, 2011 Joint Public Hearings and Regular Meeting Agenda, CDD #2**

Mr. Correia asked for any corrections or additions to the agenda.

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Ms. Scott, with all in favor, the August 24, 2011 Joint Public Hearings and Regular Meeting Agenda, as presented, was approved.

- **Approval of August 24, 2011 Joint Public Hearings and Regular Meeting Agenda, CDD #1**

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the August 24, 2011 Joint Public Hearings and Regular Meeting Agenda, as presented, was approved.

FIDDLER'S CREEK CDD #2 ITEMS

THIRD ORDER OF BUSINESS

Update: Bankruptcy Proceedings - Robert DeMarco

Mr. DeMarco reported that the proposed confirmation order was uploaded by the debtors and a competing confirmation order was uploaded by the trustee. He stated he has been working with Ms. Martinez Molina and Mr. Williams to discuss the differences in the orders. He noted he had the opportunity to review the debtor's proposed confirmation order and provide comments to Mr. Battista before it was uploaded; however, the same ability was not given with respect to the indenture trustee's order.

Mr. DeMarco explained the judge requested the parties to have the proposed order circulated amongst them and try to reach a consensus as to what the order should say. When parties disagree, under these circumstances, if one party disagrees with the language, a proposed order is submitted and the judge will decide which order to adopt. He may decide to make changes in one or both orders and return them to the parties. He stated the order is very detailed and lengthy.

Mr. DeMarco indicated CDD #1 and CDD #2 are going to work together to file a response to the indenture trustee order.

Mr. DeMarco reported the motion for sale of the Veneta (Amador) lots is still pending and stated the indenture trustee counsel and debtors' counsel are working together to prepare an order. A hearing is scheduled for August 30.

Mr. DeMarco provided the proposed, amended proof of claims to be filed in this matter; there are a total of 12. He stated he worked with Ms. Carlson and believed that Dr. Fishkind reviewed and respectively approved them.

Mr. Correia recalled that, in the past, the indenture trustee and debtor have not agreed on anything. He asked how long the process will endure. Mr. DeMarco believed that time is of the essence and discussed the role of Mount Kellett as the exit financing lender. He stated, presumably, the debtor will push for a fairly expeditious conclusion to the process. Mr. DeMarco indicated the CDDs have some input, since the language of the order impacts the Districts.

Mr. Robertson acknowledged that the District #2 Board is responsible for an immediate response regarding the Fishkind methodology for allocating bond debt revenue and asked if it is critical to complete it sooner. Mr. DeMarco explained what is going on in the background, to the extent the order was going to have language in it that actually provided for that process to proceed. He stated Mr. Williams, as bond counsel, is involved in such and will work with the

Board in the matter. He believed Mr. Williams was working with Mr. Hutton to agree on the language with respect to the order directing the Districts to perform the various activities required, pursuant to Dr. Fishkind's presentation. Mr. DeMarco discussed the possibility of the issue of a condition precedent. In effect, the activity suggested by Dr. Fishkind would be a condition precedent to the effective date. He did not know if it was necessary and discussed taking issue as to whether it was a condition precedent to the effective date. He stated Mr. Williams does not have a problem with the inclusion of language.

Mr. Williams indicated he took the position that the order be entered without the conditions precedent language that the indenture trustee counsel proposed.

Mr. Schutt asked if the language, or changes, are substantive differences.

Mr. DeMarco replied that, in certain respects, the answer is yes and part of the substantive difference is whether or not the activity, suggested by Dr. Fishkind, must be performed prior to the effective date. There is some language in the proposed order that is troublesome to the Districts, regarding the fact that some language, put in by the indenture trustee, indicates it does not affect the ability of the indenture trustee to sue the Board of Supervisors and the Districts; the judge is going to effectively declare that the Districts remain in default, after confirmation. He noted there are some other differences. Mr. DeMarco clarified that the District is objecting to the language, in the order, that effectively attempts to adjudicate, or set forth, claims and remedies between parties that theoretically are not even parties to the confirmation process. He considered the language to be superfluous and immaterial; if there is an argument, it should be considered at a later date and in a different form.

Ms. DiNardo asked if there will be further motions. Mr. DeMarco explained the judge will review both orders and provide comments, or hold a hearing, as to why the language should be included. Ms. DiNardo inquired as to a possible time frame for a decision.

Mr. Battista explained, the judge ruled on confirmation, made his findings and conclusions and directed the debtor to submit an order for circulation, not to receive consensus from anyone. He stated he circulated the order to the parties, received numerous comments, made substantial changes and uploaded the order that he believed was appropriate. The indenture trustee took issue and added some language that he believed is problematic for the debtors and the Districts. Mr. Battista did not anticipate filing a motion for a status conference and believed the judge to rule by the end of the week.

In response to a question, Mr. DeMarco explained Dr. Fishkind's recommendation will be noticed and an agenda created, to address it. He referenced Pages 53 and 54 in which the proposed activities are outlined, whereby the Districts would change the assessment methodologies.

Ms. Scott recommended that CDD #2 proceed with Dr. Fishkind's recommendation. Mr. Correia recommended waiting to make a decision until after Ms. Carlson's presentation.

Mr. Elliot Miller, a resident, believed that Dr. Fishkind's report should be implemented as soon as possible because it is difficult for lots to be sold; however, he believed it is a serious, egregious mistake to have the effective date of the plan held up while this is done. He noted that, if he was a lawyer for Mount Kellet, he would insist on having the effective date now so that he could go ahead with his deal. Mr. Miller recalled that the indenture trustee filed a memorandum of law with the court, in an attempt to get the confirmation derailed, which took the position that the reason that the confirmation should not go ahead is that, if the plan is confirmed, the Districts will not be in default. The indenture trustee tried to get the court to avoid confirmation on the very basis that it is now rejecting; thus, the indenture trustees are acting inconsistently and it should be brought to the attention of the court.

- **Discussion/Consideration: Amended Proofs of Claims**

Discussion ensued on the approval of the amended proofs of claims. Mr. Pires asked if the proposed amended proofs of claims were consistent with the corrected lien roll. Mr. DeMarco and Ms. Carlson responded affirmatively.

Mr. Doug Darbut, on behalf of one (1) of the bondholders, recalled that Mr. Warren Bloom requested that the vote for approval of the amended proofs of claims be postponed so the bondholders have the chance to review the proofs of claims.

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Ms. Scott, with all in favor, the Amended Proofs of Claims were approved.

- **Presentation, Discussion, Approval of Corrected Lien Roll – Alice Carlson**

Ms. Carlson reviewed District #2's lien roll and noted that Dr. Fishkind reviewed the rolls. She stated there is a summary document that allocates the property by date of plat. She reviewed the summary of the methodology report, as adopted by the Board and prepared by Dr.

Fishkind, allocating the proposed total debt of \$106,455,000. She indicated the single family, roadway and non-roadway allocation will be allocated \$67,600.22, per lot, with a grand total of \$67,667,821.97. The villa allocation is \$35,629.45, per lot, and the commercial allocation is \$52.47, per unit. Ms. Carlson discussed the allocation of debt for the Series 2003, 2004 and 2005 bonds, by product type. She stated the plat date is listed on the far right side of the summary. Ms. Carlson explained the net, debt per acre maximum, noting it is utilized when a true-up agreement is completed.

Discussion followed on the application of the Mussorie debt. Ms. Carlson explained the developer intends to complete buy down payments, when the property is sold, and each unit is currently allocated at about \$35,000. When the buy downs are complete, it is planned to use the single unit of \$3,526 first, as it is a small amount. One (1) of the 22 units, in the 2004 bonds, would have a buy down payment from above. She indicated it is an accounting anomaly that occurs during reconciliation. She did not believe that one (1) unit is going to include two (2) bond issues; rather, it is not the plan.

Mr. Correia inquired about the existence of certain neighborhoods. Ms. Carlson explained the neighborhoods are platted and may not be on the market.

Mr. Robertson asked if the full amount of \$106,455,000 was allocated. Ms. Carlson stated the total of \$106,455,000 was not borrowed but all three (3) bond issues were allocated. The \$106,455,000 is the amount that was validated. The amount used depends on the funds necessary for development. The three (3) bond issues are allocated, on a plat date basis.

Ms. Carlson explained that if neighborhoods were allocated to an incorrect bond issue, they had to be allocated to the correct bond issue. She reviewed the actual lien roll for District #2.

Ms. Scott asked if an allocation for an individual owner may have been switched from one bond series to another bond series but the amount never changed from the amount provided at closing. Ms. Carlson indicated the annual assessment that they were quoted will not change but some of the Series 2004 changed to Series 2003.

Mr. Pires asked if the term "platted" indicates condominium plats. Ms. Carlson indicated Aviamar encompasses multiple neighborhoods and some of the plats include multiple neighborhoods.

Ms. Carlson reviewed the total amount on Page 16. She stated the Revenue Account indicates the Fiscal Year 2011 principal payments, made by property owners, on the 2010 real estate tax. She noted the May 1 principal payment was not paid but the revenue is still in the account, to be allocated to the property owners. When the order is signed more funds will be paid by the developer for the platted properties. Ms. Carlson explained how the payment is made depends on the details of the order. She stated every property owner that paid their taxes had their principal amount reduced accordingly; the funds are currently in the revenue account, held by the trustee, as reflected on Page 16.

Ms. Carlson reviewed the amounts owed to the Series 2003 bonds, from the Series 2004 bonds and the current amount of the prepayment account. She stated the District Manager and Special District Counsel opened discussions with the trustee as to how to complete the transfers.

Ms. Carlson stated District #2 has off-roll assessments on all three (3) bonds, which are being addressed in the order.

Mr. DiNardo asked if the funds were presently in the revenue and prepayment accounts. Mr. Adams advised the funds are in the revenue and prepayment accounts, for the property owners that paid.

Ms. Scott asked how far in arrears is Ms. Carlson receiving information on sales, as the lien roll is dated May 2011. Ms. Carlson stated she received updates from the developer every time they made a buyout payment. She explained she receives information from the county appraiser during the budget process time; it is received every two (2) weeks, from June until October 1. Ms. Carlson indicated the May 1 date is used because that is the date that a principal payment is made on the bonds and the lien rolls are dated.

Mr. Pires inquired if any correspondence from Mr. Fishkind was received in writing. Mr. Adams advised there is email indicating his approval and that he verbally approved it in conference calls with District Staff and bankruptcy/bond counsel.

Ms. Carlson explained the allocation was used for the amended proofs of claims and is being used in the proposed Fiscal Year 2012 budget.

Mr. Andrew Sanford recalled that there was a delinquent A interest to petition date and a delinquent B interest to petition date column. It was blank for the A and had a value for the B. He believed those properties were off roll and they were not paid.

Ms. Carlson indicated it is related to the Series 2003 A and B bonds. The A portion was on the real estate tax bill. Mr. Sanford noted the specifics for the debtor GB Peninsula Ltd. Mr. Robertson requested the issue be addressed after the meeting.

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Ms. DiNardo, with all in favor, the corrected lien roll, as presented, was approved.

FIDDLER'S CREEK CDD #1 ITEMS

FOURTH ORDER OF BUSINESS

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

Ms. Martinez Molina indicated the District #1 amended proofs of claims, all four (4), were filed on July 29, 2011.

Mr. Brougham asked if there were any developments in the civil matters. Ms. Martinez Molina stated she was not aware of any developments.

• **Presentation, Discussion, Approval of Corrected Lien Roll – Alice Carlson**

Ms. Carlson indicated there were four (4) bonds issues for CDD #1, including Series 1996, which was refinanced in 2006 and no corrections were made to that bond issue. The Series 1999 had no corrections either.

Discussion turned to the consideration of timing to consider the revised assessment methodology reports from Dr. Fishkind, as part of the language in the confirmation order and realizing Mr. Battista's expectations that the order would be completed later this week.

Mr. Williams indicated the position that the process can begin, once the order is entered. Mr. Adams noted the ten (10)-day minimum to notice a Board meeting and explained the alternative to continue today's meeting to a date/time specific, if necessary. Discussion followed on the date of the continued meeting.

Discussion returned to District #1's corrected lien roll. Ms. Carlson confirmed Series' 1999 and 2006 are fully allocated and included on the real estate tax bills. There are no plats for the Series 2002 and 2005 bonds; however, the bonds needed to be added together and allocated on a per acre basis. She reviewed Page 1 of the lien roll and advised the total is the same. Mr.

Adams confirmed approval was received from Dr. Fishkind for the reallocation of the bonds, in a written email.

Ms. Carlson reviewed the totals on Pages 29 and 30. She noted the developer has yet to pay the real estate tax bills for 2009 and 2010 but the trustee made a principal payment on May 1, 2011 by using funds in the revenue account, as allowed by the indenture.

Mr. Schutt recalled the developer changing the plan within certain neighborhoods and asked how it affects the distribution of the bond funds. Ms. Carlson speculated that, when the property was replatted, the correct number was assigned to the unit and, if at the end of the allocation, then a density reduction payment would have been required at the time of replat. In the process, if there were other properties that needed allocation, then a density reduction payment may not have been needed if the outstanding property was under the threshold. Mr. Schutt asked if Ms. Carlson remembered the procedure occurring. Ms. Carlson indicated she remembered the property was replatted and the allocation was changed to reflect the current business plan and she did not believe a density reduction payment was required, at the time. The total allocation was changed and the buy down amount was changed.

Mr. Schutt recalled that the indenture trustee was concerned that some properties were not carrying the debt load that they should have, specifically, Runaway Bay. It was an unencumbered piece of property. He asked if there was any substance to that concern, on the part of the trustee. Ms. Carlson replied that Runaway Bay was allocated debt from the Series 1999 since 2002 and was included on the real estate tax bill.

Mr. Bergmoser asked if there are assessments against the golf properties. Ms. Carlson replied there were no assessments on the golf properties, which should not have any assessments, in accordance with the methodology.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the corrected lien roll, as presented, was approved.

JOINT MEETING ITEMS

FIFTH ORDER OF BUSINESS

Developer's Report/Update

There being no report, the next item followed.

SIXTH ORDER OF BUSINESS

Engineer's Report

Mr. Cole reported the receipt of several checks for some past due draws and indicated he is in contact with District Management about critical invoices that are due. Specifically, there is an annual monitoring report required for development at a cost around \$4,000. Additionally, there was an approximate amount of \$5,000 for Phase 3, Unit 1 bond renewal that was put through a couple months ago. Mr. Cole indicated payment was not received for the District #1 2005 draw and the decision was made by Management to make the payment, out of the general fund, so that the bond renewal could be completed. It was due about a month ago, along with the monitoring report, but the county is aware that the District is working to resolve the issue. Mr. Cole stated the checks will be sent to the county and bond renewal company within the coming days.

Mr. Adams indicated the combined total of the checks is about \$12,000 and will be posted on the balance sheet as a due from the specific construction fund(s) to the general fund. He noted it was critical that the two (2) items not be lost. Mr. Pires advised that the documents included subdivision improvement bonds.

Mr. Cole indicated work is in progress to complete the FP&L work. Another item includes the completion of landscape buffers, along US 41 and phase 4, unit 3, for District #2. The bids are in line with the estimated amount made months ago but, considering the climate of payment from the bondholders, the project has been put on hold. Mr. Cole indicated he will continue with projects previously approved by the bondholders.

Mr. Cole presented District #1, Draw 60, for approximately \$4,000, for work related to the Belle Meade Preserve area. He stated the payments for the preserve treatments have been made through the general fund. Mr. Adams recalled discussions on the initial cleanup, in the amount of \$22,000, which was paid for by the bond. The ongoing maintenance is now being paid out of the general fund. Mr. Cole indicated the draw also includes subdivision bonds, water management district certification and preparation of lake conveyance exhibits for the conveyance of lakes from the developer to both Districts.

Mr. Cole presented District #2, Series 2003, Draw 72. He explained that these bonds are the bonds whereby payments have not been made since last August; the engineering firm is the only entity that is owed money. He stated work was completed to work on the lake conveyance documents, as indicated in Draw 72.

Mr. Cole presented District #2, Series 2005, Draw 69, for approximately \$2,300. The majority of the work was the monthly expense for CDM to complete the water quality monitoring for the water use permit, in addition to the architect fees for the landscape buffer bids. Mr. Cole indicated the CDM water quality fees are included in the general fund budget for Fiscal Year 2012.

Mr. Cole recalled a conversation with Mr. Correia and presented copies of the lake erosion report for both Districts. He stated he is working on the bid packages for the project. He noted there is \$82,000, for District #2, and \$200,000, for District #1. Mr. Cole explained his intentions are that the bids would go out for that amount of work within Fiscal Year 2012 and additional years would be included in the work. He noted concerns of low, medium and high priorities on a same lake. The highest priority work, within CDD #2, is the irrigation lake. Mr. Cole discussed other high priority areas.

Discussion followed on the ability to complete the work for District #2 in one (1) year. Mr. Adams indicated the budget and assessments are nearly established; however, it can be considered for the next fiscal year. He noted District #2 does not have the surplus fund balance. Mr. Correia referred to the issue of the lakes in the Villages of Laguna and Varenna and recommended using a special assessment for the lake project.

Discussion followed on the length of the lake project. Mr. Cole anticipated the work for CDD #2 to take less than a month. Discussion followed on the months to begin construction.

Mr. Bill Klug asked if the proposal is lake specific or is it a generic bid based on linear foot. Mr. Cole confirmed it is a generic proposal. Mr. Bill Klug asked if the decision was made as to which methodology is going to be used to address each issue. Mr. Cole indicated the decision was made to use geotube, in all cases. Mr. Robertson stated the geotube was the lowest cost alternative from an engineering estimate. Mr. Brougham recalled the options were discussed at previous meetings.

Discussion followed on the alternatives to geotube, including riprap, as well as potential issues with the use of geotube.

Mr. Cole discussed the installation of the geotube. He explained the possible visibility of the tube during the dry season and reviewed pictures of existing geotube in another community.

Discussion ensued on the aesthetics of geotube and the ability to complete the work at one time. Mr. Adams explained the public hearing was set for today, the assessment was

increased from the prior year and notices were mailed accordingly. The District is required to have the budget and lien roll transmitted to the tax collector within the next couple of weeks and the Districts do not have the ability to increase the assessment through the standard process. He discussed the use of a special assessment, which is accomplished through separate mailed billings. Mr. Adams indicated the consideration of completing the remaining work all at once can be considered for the next fiscal year. Ms. Scott commented that the District #2 assessment already increased \$100 and stated she did not support a special assessment. Mr. Correia disagreed and noted the decrease received from the property taxes this year. Mr. Adams noted the issue of enforcement for a special assessment.

Mr. Torbin Christensen, a resident, advised that DR Horton plans to begin construction and recommended waiting until construction is complete. Mr. Cole indicated a high priority area on a lake that needs immediate attention.

SEVENTH ORDER OF BUSINESS

**Affidavits of Publication for August 24,
2011 Public Hearings and Regular
Meeting**

Mr. Adams noted today's public hearings and regular meeting were properly advertised.

EIGHTH ORDER OF BUSINESS

**Public Hearing to Consider Resolutions
Adopting the Final Budgets for Fiscal
Year 2012, Pursuant to Florida Law**

Ms. Carlson provided a handout regarding updates to the lien roll, since last year's budget. Mr. Brougham stated the Board, previously, was not actively involved in any changes made to the lien roll and it has become apparent that the Board is responsible for lien roll changes.

Ms. Carlson discussed the CDD #1 bond series. Since last year, one (1) Bellagio unit sold and five (5) units sold in Bellagio II; one (1) property owner prepaid their assessment in Bent Creek. She reviewed the units related to Series 2006 debt service budget and indicated the sales/corporate office debt was paid off many years ago and they only pay an operations and maintenance assessment. Ms. Carlson reviewed the Series 1999 debt service budget units. She clarified the reports are based on the amount received. Mr. Pires noted that the District receives

the money and Ms. Carlson receives a record of the transactions. Ms. Carlson indicated the Series 2002 and 2005 bonds are assessed off roll.

Ms. Carlson confirmed the provided documents include the previously discussed reallocations.

Ms. Carlson reviewed District #2's sales, including four (4) units sold in Callista, one (1) unit in Serena II and one (1) unit in Chiaso II. She stated the appropriate changes were amended, as previously discussed, and the undeveloped acres are billed off roll.

On MOTION for Fiddler's Creek CDD #2 by Ms. DiNardo and seconded by Mr. Correia, with all in favor, the Public Hearing for CDD #2 was opened.

On MOTION for Fiddler's Creek CDD #1 by Mr. Curland and seconded by Mr. Brougham, with all in favor, the Public Hearing for CDD #1 was opened.

Mr. Adams reviewed the proposed Fiscal Year 2012 budget. He stated the lake bank erosion remediation project is included for both Districts, as a \$200,000 adjustment for District #1 and \$82,000 adjustment for District #2. Additionally, District #1 legal foreclosure was adjusted to address current expenses, which the District anticipates, in representing themselves in the case. To the extent that the funds are not expended, they will fall into the fund balance. For District #2, the amount of contingencies was adjusted to offset any unforeseen expenses. To the extent that the funds are not expended, they will fall into the fund balance.

The on-roll assessment level, for District #2, is \$1,615, per unit, and the off-roll assessment is \$1,494. The on-roll assessment level, for District #1, is \$1,294.05, per unit, and \$1,197, per unit, for off-roll assessment. He indicated the debt service schedules are a product of the amortization schedules.

Mr. Correia recalled the tax notice received in the mail by District #2 residents and acknowledged the \$118 increase. He stated the District is still at a very precarious fiscal condition and anticipated the District to begin building a reserve for unforeseen events, in the coming years.

Mr. Bill _____ reviewed the other financing sources line item, on Page 2, and asked where the \$847,828 comes from. Mr. Adams explained the funds stem from the legal foreclosure line item on Page 1. The majority of the legal foreclosure expense is actually the legal firms representing the bondholders and indenture trustee and the expense runs through the District's general fund. The monies to offset those costs are transferred out in certain percentages from the various debt service funds in which they have funds identified to utilize for their own representation in the bankruptcy case. He noted the net result is \$20,000, which was a District's actual expense.

Discussion followed on the ability to issue special assessments in the event of an emergency.

Ms. Scott noted the actual legal fees transferred in for the bankruptcy proceeding is \$1.3 million.

Mr. Brougham stated District #1's Fiscal Year 2012 assessment is \$1,294.05 and includes a provision for spending \$200,000 on the lake erosion project, as well as recovery of legal fees associated with civil suits that were not initiated by the District. He noted the developer pays an operating and maintenance assessment on 690 of the 1,959 units.

- **Resolution 2011-5, *Fiddler's Creek Community Development District #2***

Mr. Adams presented Resolution 2011-5 for the Board's consideration.

On MOTION for Fiddler's Creek CDD #2 by Ms. DiNardo and seconded by Ms. Schmitt, with all in favor, Resolution 2011-5, Adopting the Final Budget for Fiscal Year 2012, as presented, was adopted.

- **Resolution 2011-6, *Fiddler's Creek Community Development District #1***

Mr. Adams presented Resolution 2011-6 for the Board's consideration.

On MOTION for Fiddler's Creek CDD #1 by Mr. Bergmoser and seconded by Mr. Brougham, with all in favor, Resolution 2011-6, Adopting the Final Budget for Fiscal Year 2012, as presented, was adopted.

NINTH ORDER OF BUSINESS

Public Hearing to Consider Resolutions Imposing Special Assessments to Fund its Operation and Maintenance Budgets for Fiscal Year 2011/2012; Certifying an Assessment Roll; Providing for the Collection and Enforcement of Special Assessments; Providing for Amendment of the Assessment Roll; Providing A Severability Clause; and Providing an Effective Date

- **Resolution 2011-6, *Fiddler's Creek Community Development District #2***

Mr. Adams presented Resolution 2011-6 for the Board's consideration.

On MOTION for Fiddler's Creek CDD #2 by Ms. Scott and seconded by Ms. DiNardo, with all in favor, Resolution 2011-6, Imposing Special Assessments to fund the Fiscal Year 2012 Budget and Certifying the Assessment Roll, as presented, was adopted.

- **Resolution 2011-7, *Fiddler's Creek Community Development District #1***

Mr. Adams presented Resolution 2011-7 for the Board's consideration.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, Resolution 2011-7, Imposing Special Assessments to fund the Fiscal Year 2012 Budget and Certifying the Assessment Roll, as presented, was adopted.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the Public Hearing was closed.

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Ms. DiNardo, with all in favor, the Public Hearing was closed.

TENTH ORDER OF BUSINESS

Approval of July 27, 2011 Joint Regular Meeting Minutes

Mr. Adams presented the July 27, 2011 Joint Regular Meeting Minutes and asked for any additions, deletions or corrections.

The following changes were made:

Line 87: Change "befor" to "before"

Line 91 and 92: Insert "Pepi" before Capital

Line 433: Change the first "the" to "that"

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham seconded by Mr. Bergmoser, with all in favor, the July 27, 2011 Joint Regular Meeting Minutes, as amended, were approved.

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Ms. DiNardo, with all in favor, the July 27, 2011 Joint Regular Meeting Minutes, as amended, were approved.

ELEVENTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

TWELFTH ORDER OF BUSINESS

Staff Reports

a. Attorney

Mr. Pires discussed foreclosure filing by Fifth-Third bank on a residential property that asserts the District's lien is inferior to the lender. He stated he contacted the lender and indicated that the District is superior. Additionally, he recalled the Board's indemnification agreement with AJC Associates, Inc., and that Ms. Carlson indicated it was being reviewed by Ms. Carlson's attorney.

b. Engineer

This item was discussed earlier in the meeting.

c. Manager

i. Fiscal Year 2012 Proposed Joint Meeting Schedule

Mr. Adams presented the Fiscal Year 2012 proposed joint meeting schedule. He noted the meetings are joint meetings.

Discussion ensued on the possibility of holding separate District meetings. Mr. Brougham and Mr. Correia noted the upcoming projects, including the lake bank erosion project and landscaping issues that will need joint decision and discussions. Mr. Brougham noted the reduction in Staff costs by holding a joint meeting. Ms. Scott stated joint meetings can be scheduled when they are needed.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, holding separate District meetings for Fiscal Year 2012, with Fiddler's Creek CDD #1 meeting at 8:00 a.m., on the fourth Wednesday of the month, unless otherwise noted, and moving the December meeting to December 14, 2011, was approved.

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Ms. Scott, with Ms. Schmitt and Ms. DiNardo in favor and Mr. Correia dissenting, holding separate District meetings for Fiscal Year 2012, with the Fiddler's Creek CDD #2 meeting at 10:00 a.m., on the fourth Wednesday of the month, unless otherwise noted, and moving the December meeting to December 14, 2011, was approved. (Motion passed 4-1)

ii. NEXT MEETING DATE: September 28, 2011 at 8:00 A.M.

Mr. Adams stated the next joint regular meeting is scheduled for September 28, 2011.

d. Operations Manager

Ms. Crismond presented the Operations Manager report. She indicated the tree trimming in District #2, is scheduled to be completed next week. For District #1, an additional area was identified for trimming, for an additional cost of \$10,592.50, including 96 ficus trees, due to severe encroachment.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Curland, with all in favor, additional tree trimming at Peppertree and Mahogany Bend, in the amount of \$10,592.50, was approved.

**FIDDLER'S CREEK CDD #1 &
FIDDLER'S CREEK CDD #2**

August 24, 2011

Ms. Crismond reported the lamppost cleaning and painting were completed and she will be reviewing on Friday, to ensure completion. She noted overspray on an individual's truck that is employed by the Foundation. As of this date, the contractor has not been paid and monies will be held until repairs to the vehicle have been completed. Ms. Crismond stated she will meet with Mr. Charbonneau to discuss the cost for repair.

FIDDLER'S CREEK CDD #2 ITEMS

THIRTEENTH ORDER OF BUSINESS

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

Mr. Adams presented the Unaudited Financial Statements as of July 31, 2011.

FOURTEENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors'

Mr. Andrew Sanford advised the requisition that has been a point of discussion, including Woodward, Pires funds, will be discussed with Mr. Adams, to authorize payment. Mr. Adams stated Management will provide the information indicating the requisitions were rejected at the trustee level.

FIFTEENTH ORDER OF BUSINESS

Adjournment: Fiddler's Creek CDD #2

**On MOTION for Fiddler's Creek CDD #2 by Ms. DiNardo
and seconded by Ms. Schmitt, with all in favor, the meeting
was continued to Friday, September 2, 2011 at 8:00 a.m.**

FIDDLER'S CREEK CDD #1 ITEMS

SIXTEENTH ORDER OF BUSINESS

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

Mr. Adams presented the Unaudited Financial Statements as of July 31, 2011. Mr. Bergmoser asked if savings are expected in the landscape program. Mr. Adams indicated a large portion has not been paid, including the trimming of the ficus trees. Ms. Crismond stated the amount was about \$105,000.

**FIDDLER'S CREEK CDD #1 &
FIDDLER'S CREEK CDD #2**

August 24, 2011

SEVENTEENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors'

There were no further audience comments or Supervisors' requests.

EIGHTEENTH ORDER OF BUSINESS

Adjournment: Fiddler's Creek CDD #1

**On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham
and seconded by Mr. Curland, with all in favor, the meeting
was continued to Friday, September 2, 2011, at 8:00 a.m.**

**FIDDLER'S CREEK CDD #1 &
FIDDLER'S CREEK CDD #2**

August 24, 2011

FOR FIDDLER'S CREEK #1:


Secretary/Assistant Secretary


Chair/Vice Chair

FOR FIDDLER'S CREEK #2:


Secretary/Assistant Secretary


Chair/Vice Chair