FIDDLER'S CREEK
COMMUNITY DEVELOPMENT DISTRICT #1
&
FIDDLER'S CREEK
COMMUNITY DEVELOPMENT DISTRICT #2

JOINT
REGULAR MEETING AGENDA

March 23, 2011

Fiddler's Creek Community Development District #1 & Fiddler's Creek Community Development District #2

6131 Lyons Road, Suite 100●Coconut Creek, Florida 33073
Phone: (954) 426-2105●Fax: (954) 426-2147●Toll-free: (877) 276-0889

March 17, 2011

Boards of Supervisors
Fiddler's Creek Community Development District #1 & Fiddler's Creek Community Development District #2

Dear Board Members:

The Boards of Supervisors of the Fiddler's Creek Community Development District #1 & Fiddler's Creek Community Development District #2 will hold a Joint Regular Meeting on **Wednesday, March 23, 2011** at **8:00 a.m.,** at the **Fiddler's Creek Club and Spa, 3470 Club Center Boulevard, Naples, Florida 34114**. The agenda is as follows:

1. Call to Order/Roll Call

2. Discussion: Corrections/Additions to the Agenda
   - Approval of March 23, 2011 Joint Regular Meeting Agenda, *CDD#1*
   - Approval of March 23, 2011 Joint Regular Meeting Agenda, *CDD#2*

FIDDLER'S CREEK CDD #1 ITEMS

3. Update: Bankruptcy Proceedings - Aleida Martinez Molina

FIDDLER'S CREEK CDD #2 ITEMS

4. Update: Bankruptcy Proceedings - Robert DeMarco

5. Presentation of Audited Basic Financial Statements for Fiscal Year Ended September 30, 2010, Prepared by Keefe, McCullough & Co., LLP

6. Consideration of **Resolution 2011-1,** Accepting the Audited Basic Financial Statements for the Fiscal Year Ended September 30, 2010

JOINT MEETING ITEMS

7. Developer's Report/Update

8. Engineer's Report

9. Approval of Minutes
   - **February 10, 2011** Joint Special Meeting

- **February 23, 2011** Joint Regular Meeting Minutes

10. Other Business

11. Staff Reports
    a. Attorney
    b. Manager
        i. **NEXT MEETING DATE: April 27, 2011 at 8:00 A.M.**
    c. Operations Manager

FIDDLER'S CREEK CDD #1 ITEMS

12. Discussion: School Bus Stop

13. Approval of **February 14, 2011** Continued Meeting Minutes

14. Unaudited Financial Statements as of February 28, 2011

15. Audience Comments/Supervisors' Requests

16. Adjournment: **Fiddler's Creek CDD #1**

FIDDLER'S CREEK CDD #2 ITEMS

17. Unaudited Financial Statements as of February 28, 2011

18. Audience Comments/Supervisors' Requests

19. Adjournment: **Fiddler's Creek CDD #2**

The fifth and sixth orders of business deal with the Audited Financial Report, for CDD #2, for the fiscal year ended September 30, 2010, prepared by Grau & Associates, as well as the resolution accepting this report for the District's records. These items will be discussed at the meeting.

Should you have any questions, please do not hesitate to contact me directly at 239-464-7114.

Sincerely,

Chesley E. Adams, Jr.
District Manager

CA:dg

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE:

CALL IN NUMBER: 1-888-354-0094

CONFERENCE ID: 8593810

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2

BASIC FINANCIAL STATEMENTS

September 30, 2010

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2
BASIC FINANCIAL STATEMENTS
September 30, 2010

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BASIC
FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Fiddler's Creek Community Development District #2
Collier County, Florida

We have audited the accompanying statement of net assets (deficit) and balance sheet of the governmental activities and major funds of Fiddler's Creek Community Development District #2 (the "District") as of September 30, 2010, and the statement of activities, statement of revenues, expenditures and changes in fund balances and statement of revenues, expenditures and change in fund balance - budget and actual - General Fund for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major funds of the District as of September 30, 2010, and the changes in its financial position and budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 12 to the financial statements, the Developer has failed to fund the debt service assessments due to the District. In the absence of this funding from the Developer, all of the District's outstanding bonds are considered to be in default. In addition, during the fiscal year ended September 30, 2010, the Developer filed for bankruptcy under Chapter 11 of the United States Bankruptcy Code. The financial statements do not include any adjustments that might result from the outcome of this matter.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 15, 2011

Our discussion and analysis of Fiddler's Creek Community Development District #2's (the District) financial performance provides an overview of the District's financial activities for the years ended September 30, 2010 and 2009. Please read it in conjunction with the District's basic financial statements, which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

The following are the highlights of financial activity for the year ended September 30, 2010:

- The District's total liabilities exceeded its assets at September 30, 2010 by $ 24,116,857 (deficit).
- The District's total revenues were $ 5,070,007, $ 2,628,137 from non-ad valorem assessments, $ 2,429,937 from developer contributions, $ 4,753 from interest income and $ 7,180 from miscellaneous income. The District's expenses for this year were $ 7,992,543.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The statement of net assets (deficit) presents information on all the District's assets and liabilities, with the difference between the two reported as net assets (deficit). Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 7 and 8 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has only one fund type: governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 9 through 13 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 25 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statement of net assets (deficit) as of September 30, 2010 and 2009:

Fiddler's Creek Community Development District #2
Statement of Net Assets (Deficit)

	2010	2009
Current and other assets	$ 13,914,040	$ 13,964,419
Capital assets, net	45,522,611	46,333,939
Total assets	59,436,651	60,298,358
Other liabilities	6,418,508	3,197,679
Long-term liabilities	77,135,000	78,295,000
Total liabilities	83,553,508	81,492,679
Net assets (deficit):		
Invested in capital assets, net of related debt (deficit)	(11,309,656)	(7,279,910)
Unrestricted (deficit)	(12,807,201)	(13,914,411)
Total net assets (deficit)	$ (24,116,857)	$ (21,194,321)

Governmental Activities

Governmental activities for the year ended September 30, 2010 decreased the District's net assets by $ 2,922,536, as reflected in the table below:

Fiddler's Creek Community Development District #2
Statement of Activities

	2010	2009
REVENUES:		
Program revenue:		
Non-ad valorem assessments	$ 2,628,137	$ 3,543,612
Developer contributions	2,429,937	2,644,450
General revenue:		
Miscellaneous income	7,180	74
Interest income	4,753	65,579
Total revenues	5,070,007	6,253,715
EXPENSES:		
Interest expense	4,904,972	4,963,515
Physical environment	2,545,526	2,525,082
General government	463,840	237,777
Other debt service costs	78,205	78,205
Total expenses	7,992,543	7,804,579
Change in net assets	(2,922,536)	(1,550,864)
NET ASSETS (DEFICIT), BEGINNING OF YEAR,	(21,194,321)	(19,643,457)
NET ASSETS (DEFICIT), END OF YEAR	$ (24,116,857)	$ (21,194,321)

ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. The General, Debt Service and Capital Project Funds comprise the total governmental funds. As of the end of the most current fiscal year, the District's governmental funds reported combined ending fund balance of approximately $ 5,806,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's investment in capital assets for its governmental activities as of September 30, 2010 amounts to $ 45,522,611 net of accumulated depreciation and consists of land and improvements, infrastructure, buildings and improvements, equipment, and construction in progress.

At the end of the year, the District had total bonded debt outstanding of $ 79,130,000. The District's debt represents bonds secured solely by a specified revenue source (i.e., revenue bonds).

Additional information on the District's long-term debt can be found in Note 5 on pages 19 through 22 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments to the September 30, 2010 budget. Revenues were under the adopted budget for the year and expenditures were over.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenues and expenditures for the fiscal year 2011 adopted budget for the General Fund of the District total approximately $ 1,264,000.

The prolonged economic downturn, which is heavily concentrated in the housing market, continues to have negative impact on the District's operations in fiscal year 2011. Additional information on this impact can be found in Note 12 on page 25 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Fiddler's Creek Community Development District #2's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Fiddler's Creek Community Development District #2, 6131 Lyons Road, Suite 100, Coconut Creek, FL 33073.

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2
STATEMENT OF NET ASSETS (DEFICIT)
September 30, 2010

		Governmental Activities
ASSETS:		
Cash and cash equivalents	$	6,541,161
Assessment receivable		5,910,554
Prepaid expenditures		7,252
Due from other government		375
Capital assets:		
Non-depreciable		23,558,624
Depreciable, net		21,963,987
Unamortized bond issuance costs		1,454,698
Total assets		59,436,651
LIABILITIES:		
Accounts payable		517,419
Accrued payroll		2,799
Due to other governments		3,741
Due to Developer		307,677
Accrued interest payable		3,591,872
Bonds payable, due within one year		1,995,000
Bonds payable, due in more than one year		77,135,000
Total liabilities		83,553,508
COMMITMENTS AND CONTINGENCIES (Notes 8 and 12)		-
NET ASSETS (DEFICIT):		
Invested in capital assets, net of related debt (deficit)		(11,309,656)
Unrestricted (deficit)		(12,807,201)
Total net assets (deficit)	$	(24,116,857)

The accompanying notes to basic financial statements are an integral part of these statements.

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Governmental Activities: Net Revenues (Expenses) and Change in Net Assets (Deficit)
FUNCTIONS/PROGRAMS:					
Governmental activities:					
Interest expense	$ 4,904,972	$ 1,529,818	$ 2,429,937	$ -	$ (945,217)
Physical environment	2,545,526	976,092	-	-	(1,569,434)
General government	463,840	122,227	-	-	(341,613)
Other debt service cost	78,205	-	-	-	(78,205)
Total governmental activities	$ 7,992,543	$ 2,628,137	$ 2,429,937	$ -	(2,934,469)
General revenues:					
Miscellaneous income					7,180
Interest income					4,753
Change in net assets					(2,922,536)
Net assets (deficit), October 1, 2009					(21,194,321)
Net assets (deficit), September 30, 2010					$ (24,116,857)

The accompanying notes to basic financial statements are an integral part of these statements.

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2010

A S S E T S

	General Fund	Series 2003 Debt Service Fund	Series 2004 Debt Service Fund	Series 2005 Debt Service Fund	Series 2003 Capital Projects Fund	Series 2004 Capital Projects Fund	Series 2005 Capital Projects Fund	Total Governmental Funds
ASSETS:								
Cash and cash equivalents	$ 76,604	$ 523,465	$ 177,129	$ 211,068	$ 1,524,484	$ 15,296	$ 4,013,115	$ 6,541,161
Assessments receivable	496,299	1,675,638	1,040,293	2,698,324	-	-	-	5,910,554
Prepaid expenditures	7,252	-	-	-	-	-	-	7,252
Due from other government	375	-	-	-	-	-	-	375
Due from other funds	23,440	11,209	5,861	419	-	-	-	40,929
Total assets	$ 603,970	$ 2,210,312	$ 1,223,283	$ 2,909,811	$ 1,524,484	$ 15,296	$ 4,013,115	$ 12,500,271

L I A B I L I T I E S A N D F U N D B A L A N C E S

LIABILITIES:								
Accounts payable	$ 114,075	$ 14,011	$ 7,337	$ 2,712	$ 3,386	$ -	$ 375,898	$ 517,419
Accrued payroll	2,799	-	-	-	-	-	-	2,799
Due to other governments	3,741	-	-	-	-	-	-	3,741
Due to other funds	17,401	51	37	23,440	-	-	-	40,929
Due to Developer	307,677	-	-	-	-	-	-	307,677
Deferred revenue	416,274	1,670,755	1,037,740	2,697,400	-	-	-	5,822,169
Total liabilities	861,967	1,684,817	1,045,114	2,723,552	3,386	-	375,898	6,694,734
COMMITMENTS AND CONTINGENCIES (Notes 8 and 12)	-	-	-	-	-	-	-	-
FUND BALANCES:								
Reserved for prepaid expenditures	7,252	-	-	-	-	-	-	7,252
Reserved for debt service	-	525,495	178,169	186,259	-	-	-	889,923
Reserved for capital projects	-	-	-	-	1,521,098	15,296	3,637,217	5,173,611
Unreserved (deficit)	(265,249)	-	-	-	-	-	-	(265,249)
Total fund balance (deficit)	(257,997)	525,495	178,169	186,259	1,521,098	15,296	3,637,217	5,805,537
Total liabilities and fund balances	$ 603,970	$ 2,210,312	$ 1,223,283	$ 2,909,811	$ 1,524,484	$ 15,296	$ 4,013,115	$ 12,500,271
	(257,997)	525,495	178,169	186,259	1,521,098	15,296	3,637,217	

The accompanying notes to basic financial statements are an integral part of these statements.

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS (DEFICIT)
September 30, 2010

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (DEFICIT) ARE DIFFERENT BECAUSE:		
Total fund balances of governmental funds in the balance sheet, page 9	$	5,805,537
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
The cost of capital assets is		52,427,206
Less accumulated depreciation		(6,904,595)
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Deferred charge on issuance costs (to be amortized over the life of the debt)		1,909,498
Less accumulated amortization		(454,800)
Deferred revenue is not reported in the governmental funds		5,822,169
Certain liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds:		
Accrued interest payable		(3,591,872)
Governmental revenue bonds payable		(79,130,000)
NET ASSETS (DEFICIT) OF GOVERNMENTAL ACTIVITIES, PAGE 7	$	(24,116,857)

The accompanying notes to basic financial statements are an integral part of these statements.

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	General Fund	Series 2003 Debt Service Fund	Series 2004 Debt Service Fund	Series 2005 Debt Service Fund	Series 2003 Capital Projects Fund	Series 2004 Capital Projects Fund	Series 2005 Capital Projects Fund	Total Governmental Funds
REVENUES:								
Non-ad valorem assessments	$ 853,865	$ 565,102	$ 297,219	$ 164,169	$ -	$ -	$ -	$ 1,880,355
Interest income	628	131	36	111	372	4	3,471	4,753
Miscellaneous income	7,180	-	-	-	-	-	-	7,180
Total revenues	861,673	565,233	297,255	164,280	372	4	3,471	1,892,288
EXPENDITURES:								
Current:								
General government	413,227	31,604	13,128	5,881	-	-	-	463,840
Physical environment	998,774	-	-	-	-	-	-	998,774
Capital outlay	-	-	-	-	67,946	-	667,478	735,424
Debt service:								
Principal	-	-	160,000	50,000	-	-	-	210,000
Interest	-	1,794,750	426,769	1,144,050	-	-	-	3,365,569
Total expenditures	1,412,001	1,826,354	599,897	1,199,931	67,946	-	667,478	5,773,607
Excess (deficiency) of revenues over expenditures	(550,328)	(1,261,121)	(302,642)	(1,035,651)	(67,574)	4	(664,007)	(3,881,319)
OTHER FINANCING SOURCES:								
Transfers in	212,439	36,192	15,742	1,202,872	-	-	-	1,467,245
Transfers out	-	(73,015)	(32,127)	(109,599)	(36,192)	(15,742)	(1,200,570)	(1,467,245)
Total other financing sources	212,439	(36,823)	(16,385)	1,093,273	(36,192)	(15,742)	(1,200,570)	-
Net change in fund balances	(337,889)	(1,297,944)	(319,027)	57,622	(103,766)	(15,738)	(1,864,577)	(3,881,319)
FUND BALANCES, October 1, 2009	79,892	1,823,439	497,196	128,637	1,624,864	31,034	5,501,794	9,686,856
FUND BALANCES (deficit), September 30, 2010	$ (257,997)	$ 525,495	$ 178,169	$ 186,259	$ 1,521,098	$ 15,296	$ 3,637,217	$ 5,805,537

The accompanying notes to basic financial statements are an integral part of these statements.

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 11	$	(3,881,319)
Amounts reported for governmental activities in the statement of activities are difference because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets		742,548
Less current year provision for depreciation		(1,553,876)
Repayment of debt principal is an expenditures in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets:		
Principal payment		210,000
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		3,177,719
Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Provision for amortization of bond issuance costs		(78,205)
Change in accrued interest payable		(1,539,403)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 8	$	(2,922,536)

The accompanying notes to basic financial statements are an integral part of these statements.

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2010

	Original and Final Budget	Actual	Variance
REVENUES:			
Non-ad valorem assessments	$ 1,284,810	$ 853,865	$ (430,945)
Interest income	2,000	628	(1,372)
Miscellaneous income	-	7,180	7,180
Total revenues	1,286,810	861,673	(425,137)
EXPENDITURES:			
Current:			
General government:	272,457	413,227	(140,770)
Physical environment	979,631	998,774	(19,143)
Total expenditures	1,252,088	1,412,001	(159,913)
Excess (deficiency) of revenues over expenditures	34,722	(550,328)	(585,050)
OTHER FINANCING SOURCES:			
Transfers in	-	212,439	212,439
Total other financing sources	-	212,439	212,439
Net change in fund balance	34,722	(337,889)	(372,611)
FUND BALANCE, October 1, 2009,	79,892	79,892	-
FUND BALANCE (DEFICIT), September 30, 2010	$ 114,614	$ (257,997)	$ (372,611)

The accompanying notes to basic financial statements are an integral part of these statements.

NOTE 1 - ORGANIZATION AND OPERATIONS

Fiddler's Creek Community Development District #2 (the District) was created November 19, 2002 under the provisions of Chapter 190 of the Florida Statutes by the Collier County Board of County Commissions. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Fiddler's Creek Community Development District #2. The District is governed by a five-member Board of supervisors who are elected for four year terms.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The District's more significant accounting policies are described below:

The financial reporting entity:

The criteria used for including component units consist of identification of legally separate organizations for which the Board of Supervisors of the District are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

Basis of presentation:

FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities.

In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues, other revenue, etc. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflect capital-specific grants. For the year ended September 30, 2010, the District had $ 4,049,362 in program revenues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net assets resulting from the current year's activities.

FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The accounts of the District are organized on the basis of funds. The operations of the funds are accounted for with separate self-balancing accounts that comprise their assets, liabilities, fund equity, revenues and expenditures.

The District reports the following major governmental funds:

General Fund - This fund is used to account for all operating activities of the District. At this time, revenues are derived principally from non-ad valorem assessments and interest income.

Debt Service Fund - These funds are used to account for the accumulation of resources for and the payment of long-term debt principal and interest.

Capital Projects Fund - These funds are used to account for financial resources segregated for the acquisition or construction of capital facilities other than those financed by enterprise operations, if applicable.

Measurement focus, basis of accounting and presentation:

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current year.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budget:

A budget is adopted for the General Fund and Debt Service Funds on an annual basis. Appropriations lapse at fiscal year end. Changes or amendments to the total budgeted expenditures of the District must be approved by the District Board of Supervisors.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

a. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to October 1, the budget is legally adopted by the District Board.

d. The budgets are adopted on a basis consistent with generally accepted accounting principles.

Cash and cash equivalents:

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments:

Investments, if held, are stated at their fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized. Certain money market investments are stated at amortized cost if they have a remaining maturity of one year or less when purchased.

Capital assets:

Capital assets are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $ 750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assessments:

Assessments are non-ad valorem assessments on all platted lots within the District. Assessments are levied each November 1 on property as of the previous January 1. Certain assessments are collected upon closing on each lot sold and are used to prepay a portion of the Bonds outstanding. In addition, annual assessments are levied and collected to provide funds for the debt service on the portion of the Bonds which are not paid for from the prepaid assessments and to pay for the operations and maintenance of the District. The fiscal year for which annual assessments are levied begins on October 1 with a maximum discount available for payments through November 30 and become delinquent on April 1.

Assessments on all non-platted lots within the District are directly billed to the Developer.

Deferred revenues:

Deferred revenues include amounts collected before the revenue recognition criteria are met and receivables which, under the modified accrual basis of accounting, are measurable but not yet available. The deferred items consist of assessments which are due but have not been collected within the sixty day availability period.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity classifications:

Government-wide statements

Equity is classified as net assets and displayed in three components:

a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

b. Restricted net assets - consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund statements

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations, if applicable, of fund balance represent tentative management plans that are subject to change.

Bond issuance costs:

Bond issuance costs will be amortized over the life of the applicable bond issue using the straight-line method.

Date of management review:

Subsequent events have been evaluated through March 15, 2011, which is the date the financial statements were available to be issued.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

The District's deposits must be placed with banks and savings and loans which are qualified as public depositories prior to receipt of public monies under Chapter 280, Florida Statutes. These deposits are insured by the FDIC up to $ 250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer in the collateral pool. At year end, the carrying amount of the District's General Fund deposits was $ 76,604 and the bank balance was $ 101,225.

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Investments

The investment of funds is authorized by Florida Statutes, which allows the District to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the U.S. Treasury. Investments of the Debt Service and Capital Projects Funds are governed by the Bond Indenture.

Investments as of September 30, 2010 of $ 6,464,557 were in money market mutual funds.

These deposits and investments are reflected in the accompanying statement of net assets and balance sheet - governmental funds in cash and cash equivalents.

Credit risk:

Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The money market mutual funds held by the District are rated AAAm by Standard and Poor's and Aaa by Moody's Investors Service.

Interest rate risk:

Florida Statutes state that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. The average maturity of the money market fund is 42 days.

Custodial credit risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2010, the District's investments were not subject to custodial credit risk.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

	Balance at October 1, 2009	Additions	Deletions	Balance at September 30, 2010
Governmental Activities:				
Capital assets, not being depreciated				
Land and improvements	$ 16,226,776	$ -	$ -	$ 16,226,776
Construction-in-progress	6,596,424	735,424	-	7,331,848
Total capital assets, not being depreciated	22,823,200	735,424	-	23,558,624

NOTE 4 - CAPITAL ASSETS (continued)

	Balance at October 1, 2009	Additions	Deletions	Balance at September 30, 2010
Capital assets, being depreciated:				
Infrastructure	16,100,762	-	-	16,100,762
Buildings and improvements	12,760,696	-	-	12,760,696
Equipment	-	7,124	-	7,124
Total capital assets, being depreciated	28,861,458	7,124	-	28,868,582
Total capital assets	51,684,658	742,548	-	52,427,206
Less accumulated depreciation for:				
Infrastructure	2,446,648	630,359	-	3,077,007
Equipment	-	594	-	594
Buildings and improvements	2,904,071	922,923	-	3,826,994
Total accumulated depreciation	5,350,719	1,553,876	-	6,904,595
Total capital assets, being depreciated, net	23,510,739	(1,546,752)	-	21,963,987
Governmental activities capital assets, net	$ 46,333,939	$ (811,328)	$ -	$ 45,522,611

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
Physical environment	$ 1,553,876

NOTE 5 - LONG-TERM DEBT

a. Summary of Long-Term Debt of Governmental Activities

Long-term debt of the governmental activities at September 30, 2010 is comprised of the following bond issues:

$ 4,715,000 Special Assessment Revenue Bonds, Series 2003A; due in annual installments commencing May 2006 through 2016; interest payable semiannually at 6.00%.	$ 3,275,000
$ 21,670,000 Special Assessment Revenue Bonds, Series 2003A; due in annual installments commencing May 2017 through 2035; interest payable semiannually at 6.375%.	21,670,000
$ 9,905,000 Special Assessment Revenue Bonds, Series 2003B; due in one lump-sum payment May 2013; interest payable semiannually at 5.75%.	3,770,000
$ 13,145,000 Special Assessment Bonds, Series 2004; due in annual installments commencing May 2008 through 2037; interest payable semiannually at 6.75%.	12,330,000
$ 38,850,000 Special Assessment Bonds, Series 2005; due in annual installments commencing May 2009 through 2038; interest payable semiannually at 6.00%.	38,085,000
	$ 79,130,000

NOTE 5 - LONG-TERM DEBT (continued)

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2010:

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010	Due Within One Year
Special Assessment Revenue Bonds, Series 2003A	$ 3,275,000	$ -	$ -	$ 3,275,000	$ 805,000
Special Assessment Revenues bonds, Series 2003A	21,670,000	-	-	21,670,000	-
Special Assessment Revenue Bonds, Series 2003B	3,770,000	-	-	3,770,000	-
Special Assessment Revenue Bonds, Series 2004	12,490,000	-	160,000	12,330,000	165,000
Special Assessment Revenue Bonds, Series 2005	38,135,000	-	50,000	38,085,000	1,025,000
	$ 79,340,000	$ -	$ 210,000	$ 79,130,000	$ 1,995,000

b. Summary of Significant Debt Terms of Governmental Activities

$ 4,715,000 Special Assessment Revenue Bonds, Series 2003A - The District previously issued $ 4,715,000 in Special Assessment Revenue Bonds, Series 2003A for the purpose of funding certain projects within the boundaries of the District. The Bonds are payable in annual principal installments through 2016. Interest at 6.00% is payable semiannually on the first day of each May and November.

The District is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the Bond Issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the Bonds as they become due.

The Bonds are subject to mandatory redemption at par plus accrued interest to the date of redemption on a schedule of annual redemptions through May 2016, the maturity date. The District is required to redeem the Bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The Bonds are subject to redemption at the option of the District at par plus accrued interest from payment date to the redemption date on or after May 1, 2013.

The Indenture requires a reserve fund equal to 7.47% of the 2003A Bonds outstanding. As of September 30, 2010, the reserve fund account balance was not sufficient to satisfy this requirement (Note 11).

NOTE 5 - LONG-TERM DEBT (continued)

$ 21,670,000 Special Assessment Revenue Bonds, Series 2003A - The District previously issued $ 21,670,000 in Special Assessment Revenue Bonds, Series 2003A for the purpose of funding certain projects within the boundaries of the District. The Bonds are payable in annual principal installments commencing May 2017 through 2035. Interest at 6.375% is payable semiannually on the first day of each May and November.

The District is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the Bond Issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the Bonds as they become due.

The Bonds are subject to mandatory redemption at par plus accrued interest to the date of redemption on a schedule of annual redemptions through May 2035, the maturity date. The District is required to redeem the Bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The Bonds are subject to redemption at the option of the District at par plus accrued interest from payment date to the redemption date on or after May 1, 2013.

The Indenture requires a reserve fund equal to 7.47% of the 2003A Bonds outstanding. As of September 30, 2010, the reserve fund account balance was not sufficient to satisfy this requirement (Note 11).

$ 9,905,000 Special Assessment Revenue Bonds, Series 2003B - The District previously issued $ 9,905,000 in Special Assessment Revenue Bonds, Series 2003B for the purpose of funding certain projects within the boundaries of the District. The Bonds are payable in one principal installment in 2013. Interest at 5.75% is payable semiannually on the first day of each May and November.

The District is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the Bond Issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the Bonds as they become due.

The Bonds are not subject to mandatory redemption prior to their scheduled maturity. The District is required to redeem the Bonds at par prior to schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture.

The Indenture requires a reserve fund equal to 11.19% of the 2003B Bonds outstanding. As of September 30, 2010, the reserve fund account balance was not sufficient to satisfy this requirement (Note 11).

$ 13,145,000 Special Assessment Bonds, Series 2004 - The District previously issued $ 13,145,000 in Special Assessment Bonds, Series 2004 for the purpose of funding certain projects within the boundaries of the District. The Bonds are payable in annual principal installments through 2037. Interest at 6.75% is payable semiannually on the first day of each May and November.

The District is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the Bond Issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the Bonds as they become due.

NOTE 5 - LONG-TERM DEBT (continued)

The Bonds are subject to mandatory redemption at par plus accrued interest to the date of redemption on a schedule of annual redemptions commencing in May 2008 through May 2037, the maturity date. The District is required to redeem the Bonds at par prior to the schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The Bonds are subject to redemption at the option of the District at a premium on or before May 1, 2015 and at par on or after May 1, 2016.

The Bond Indenture requires a reserve fund equal to 50% of the maximum annual debt service requirements. As of September 30, 2010, the reserve fund account balance was not sufficient to satisfy this requirement (Note 11).

$ 38,850,000 Special Assessment Bonds, Series 2005 - The District issued $ 17,275,000 during the current year and $ 21,575,000 previously in Special Assessment Bonds, Series 2005 for the purpose of funding certain projects within the boundaries of the District. The Bonds are payable in annual principal installments through 2038. Interest at 6.00% is payable semiannually on the first day of each May and November.

The District is required by the Bond Indenture to levy and collect special assessments pursuant to Florida Statutes, Section 190.022. The collection of these assessments is restricted and applied to the debt service requirements of the Bond Issue. Further, the District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the Bonds as they become due.

The Bonds are subject to mandatory redemption at par plus accrued interest to the date of redemption on a schedule of annual redemptions commencing in May 2009 through May 2038, the maturity date. The District is required to redeem the Bonds at par prior to the schedule from the proceeds of any assessments prepaid or if certain events occur as outlined in the Bond Indenture. The Bonds are subject to redemption at the option of the District at a premium on or before May 1, 2016 through April 30, 2017 and at par on or after May 1, 2017.

The Bond Indenture requires a reserve fund equal to 50% of the maximum annual debt service requirements. As of September 30, 2010, the reserve fund account balance was not sufficient to satisfy this requirement (Note 11).

The annual debt service requirements for the Series 2003, 2004 and 2005 Special Assessment Revenue Bonds consist of:

Year Ending September 30,	Principal	Interest	Total
2011	$ 1,995,000	$ 4,862,363	$ 6,857,363
2012	1,175,000	4,794,225	5,969,225
2013	5,025,000	4,722,413	9,747,413
2014	1,335,000	5,403,394	6,738,394
2015	1,415,000	4,347,263	5,762,263
2016-2020	8,645,000	20,296,575	28,941,575
2021-2025	11,815,000	17,220,281	29,035,281
2026-2030	16,165,000	13,006,219	29,171,219
2031-2035	22,090,000	7,238,250	29,328,250
2036-2038	9,470,000	1,120,050	10,590,050
	$ 79,130,000	$ 83,011,033	$ 162,141,033

NOTE 6 - RISK MANAGEMENT

The District purchased an insurance policy that provided coverage of up to a $ 1,000,000 maximum for each general liability occurrence in combination with a maximum annual aggregate coverage of approximately $ 2,000,000 for the policy year ending September 30, 2010. Other insurance policies carried by the District during the year included automobile, public official's liability and employment practices liability. Deductible amounts ranged from $ 0 to $ 2,500. Settlement amounts have not exceeded insurance coverage during the last three (3) fiscal years.

NOTE 7 - ECONOMIC DEPENDENCY AND RELATED PARTY TRANSACTIONS

A significant portion of the District's activity was dependent upon the continued involvement of the Developer. Due to their lack of involvement in the current year, the District has experienced materially adverse financial conditions (Note 11).

NOTE 8 - COMMITMENTS

The District has committed to acquire those portions of the improvements which have been completed by the Developer for the actual reasonable costs incurred by the Developer up to the amounts available in Series 2003, 2004 and 2005 Capital Project Funds.

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of due to/from funds for the year ended September 30, 2010 is as follows:

	Receivables	Payables
General Fund	$ 23,440	$ 17,401
Series 2003 Debt Service Fund	11,209	51
Series 2004 Debt Service Fund	5,861	37
Series 2005 Debt Service Fund	419	23,440
	$ 40,929	$ 40,929

These balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems and (3) payments between funds are actually made.

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

A summary of interfund transfers for the year ended September 30, 2010 is as follows:

	Transfer In				
Transfer Out	General Fund	Series 2003 Debt Service Fund	Series 2004 Debt Service Fund	Series 2005 Debt Service Fund	Total
Series 2003 Debt Service Fund	$ -	$ -	$ -	$ 73,015	$ 73,015
Series 2004 Debt Service Fund	-	-	-	32,127	32,127
Series 2005 Debt Service Fund	109,599	-	-	-	109,599
Series 2003 Capital Projects Fund	-	36,192	-	-	36,192
Series 2004 Capital Projects Fund	-	-	15,742	-	15,742
Series 2005 Capital Projects Fund	102,840	-	-	1,097,730	1,200,570
Total	$ 212,439	$ 36,192	$ 15,742	$ 1,202,872	$ 1,467,245

All transfers during the year were made to either fund operating expenses of the District or debt service requirements. These transfers were necessary as a result of the District's financial position (Note 12).

NOTE 10 – NET ASSETS (DEFICIT)

The District has a government-wide net assets deficit of $ 24,116,857 as of September 30, 2010. The deficit relates to the accrual of certain expenses, principally interest, which are not currently recorded in the fund statements. When recognized as expenditures in the fund statements, they will be recovered from the Developer (Note 7) or through assessment to benefitted property owners. The deficit also relates to various infrastructure improvements which have been financed through the issuance of long-term debt, but were conveyed to other entities.

NOTE 11 – FUND BALANCE (DEFICIT)

The District has a deficit of $ 257,997 reflected in the governmental fund statements for the General Fund as of September 30, 2010. This deficit is the result of the lack of developer funding for general District operations, as discussed in Note 12. The District expects this deficit to be eliminated from assessments collected and recognized during fiscal year 2011 along with a reduction in expenses.

NOTE 12 – CONTINGENCIES

The prolonged deterioration in the housing markets and a decrease in housing demand within the region the District is located has negatively impacted the fair market value of the assessable property located within District boundaries, a substantial amount of which is held by the Developer. These conditions resulted in the Developer being unable to provide the District with non-ad valorem special assessments sufficient to satisfy a portion of the November 2009 and May 2010 debt service requirements and therefore all outstanding bonds of the District are considered to be in default.

In February 2010, the Developer of the District, Fiddler's Creek, LLC and its affiliates filed for bankruptcy under Chapter 11 of the United States Bankruptcy Code. The foreclosure action is currently on hold as a result of a stay provision in the Chapter 11 motion that was filed in February.

In May 2010, the Trustees notified the Bondholders that an event of default had occurred as a result of the nonpayment of principal on the Series 2003A and 2003B and nonpayment of interest on the Series 2004 and 2005.

Additionally, the District transferred funds from the respective debt service reserve accounts in order to make debt service payments. As a result of this, the 2003A, 2003B, 2004 and 2005 reserve funds are underfunded by $ 1,508,081, $ 313,202, $ 476,067, and $ 1,401,543 respectively.

In October 2010, with the consent of the bondholders, the District approved the first amendment to the supplemental trust indentures to allow funds within the Series 2003, 2004 and 2005 acquisition and construction subaccounts to be used to establish default expenditure accounts to be used to pay the legal fees and expenses, and consultant charges related to the preparation for and enforcement of a foreclosure action to enforce the collection of delinquent special assessments.

In November 2010, the District failed to make the required debt service payments for the Series 2003A, 2003B, 2004 and 2005 Bonds.

Due to the Developer's bankruptcy, it is unknown at this time whether future debt service payments will be able to be made as scheduled (Note 5). The financial statements do not reflect any adjustment that may result from this uncertainty.

NOTE 13 – ASSESSMENTS RECEIVABLE

Amounts reported on the basic financial statements as assessments receivable include amounts due from property owners for special assessments as well as amounts due from the county tax collector. As of September 30, 2010, the total amount of assessments due is $5,910,554 of which $1,022,422 is due from the tax collector and $4,888,132 is due from property owners.

OTHER REPORTS OF INDEPENDENT AUDITORS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Supervisors
Fiddler's Creek Community Development District #2
Collier County, Florida

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fiddler's Creek Community Development District #2 (the "District") as of and for the year ended September 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance due to the Series 2003A, 2003B, 2004 and 2005 Reserve Accounts reflecting deficits of $ 1,508,081, $ 312,202, $ 476,067, and $ 1,401,543, respectively at September 30, 2010. In addition, the Series 2003A, 2003B, 2004 and 2005 debt service payments are in default at September 30, 2010.

This report is intended solely for the information and use of District management, members of the Board of Supervisors, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 15, 2011

INDEPENDENT AUDITORS' REPORT TO DISTRICT MANAGEMENT

To the Board of Supervisors
Fiddler's Creek Community Development District #2
Collier County, Florida

We have audited the basic financial statements of Fiddler's Creek Community Development District #2 (the "District"), as of and for the year ended September 30, 2010, and have issued our report thereon dated March 15, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which are dated March 15, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports.

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District was established on November 19, 2002 by Ordinance No. 02-61 of the Collier County Commission, pursuant to the provisions of Chapter 190, of the laws of the State of Florida. The District does not have any component units.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions of financial emergency described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District met the condition described in Section 218.503(1)(e), Florida Statutes. The District reported deficit unreserved fund balance of $ 265,249 as of September 30, 2010. The financial emergency condition met was a result of deteriorating financial conditions as discussed in Note 12, page 25 of this report.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. We noted deteriorating financial conditions as further described in Note 12.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
March 15, 2011

RESOLUTION 2011-1

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2 HEREBY ACCEPTING THE AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

WHEREAS, the District's Auditor, Keefe, McCullough & Co., LLP, has heretofore prepared and submitted to the Board, for accepting, the District's Audited Basic Financial Statements for Fiscal Year 2010;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2;

1. The Audited Basic Financial Statements for Fiscal Year 2010, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2010, for the period ending September 30, 2010; and

2. A verified copy of said Audited Basic Financial Statements for Fiscal Year 2010 shall be attached hereto as an exhibit to this Resolution, in the District's "Official Record of Proceedings".

PASSED AND ADOPTED this _____ day of _____, 2011.

FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #2

_____
Secretary/Assistant Secretary

_____
Chair/Vice Chair

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

A Joint Special 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 **Thursday, February 10, 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 (via telephone)	District Manager
Cleo Crismond	Operations Manager
Aleida Martinez Molina (via telephone)	Weiss Serota, CDD #1 Special Counsel
Robert DeMarco (via telephone)	Treiser Collins, CDD #2 Special Counsel

FIRST ORDER OF BUSINESS **Call to Order/Roll Call**

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

FIDDLER'S CREEK CDD #1 ITEMS

SECOND ORDER OF BUSINESS **Consider Requesting Executive Summary to Discuss Potential Responses to Revised Disclosure Statement and Plans of Organization Filed by Developer**

Mr. Adams stated today's meeting is in anticipation of the revised disclosure statement being filed and reserving the Districts' rights to come together in an Executive Session, in the event a closed door session is needed to discuss the disclosure statement, revised reorganization plans and consider any filings that may have to be made on behalf of the Districts. He noted there is a deadline of Monday, February 14th for such filings, with the hearing scheduled for the 16th and the deadline of today for those documents to be filed by the debtors.

Mr. Adams explained that requests must be made by Counsel for the Executive Sessions and he noted that both counsels were present, via telephone, to make such requests. The date being considered was Monday at 11:00 a.m.

Ms. Martinez Molina stressed the need to meet as quickly as possible to discuss the amended disclosure statement that will be filed. She indicated that she will forward the revised disclosure statement to Mr. Adams, as soon as it is received, for distribution to the Board.

Mr. Robertson inquired about the date that the CDDs, together or separately, have to respond to the debtors' filing. Ms. Martinez Molina advised the date is Monday, February 14th. She explained, at the hearing, the judge stated he would consider arguments that are not set forth in writing but they need to file something on the 14th, if nothing else, to point out that there was not sufficient time to digest the massive amounts of information provided to them, that was not previously provided. Ms. Martinez Molina indicated if there are any objections, the deadline for written submittal is Monday.

Mr. Brougham explained that the hearing is to hear facts or opinions put forth with respect to the disclosure statement and the judge may not make a decision, pro or con. If the judge approves the disclosure statements, he will set a date for the confirmation. Ms. Martinez Molina confirmed next week is not about whether the plans are acceptable or not; it is about determining if there is enough information to consider the plan. Mr. Brougham added the hearing is to gather facts and opinions on both sides, which the judge will take under advisement and make a rendering as to when the confirmation hearing will occur.

Discussion ensued regarding the meeting time. Mr. DeMarco indicated that a number of the bond counsel requested to provide their input prior the attorneys engaging in the executive session with their respective CDD Boards. He noted the importance of the CDD Boards being aware of the bondholders' position with respect to the documents. He advised he wants the bondholders to have an opportunity to get their opinions to him and Ms. Martinez Molina so they can share them with the Boards.

Mr. Brougham suggested telling the bondholders that if they have anything specific that they wish CDD #1's Board to consider at their executive session, they should do so prior to the meeting. Ms. Martinez Molina stated she relayed that information to the bondholders immediately after the dates were set and they advised they will do their best. Mr. Brougham suggested that CDD #1 meet in an executive session at 8:00 a.m., on Monday, with Ms. Martinez Molina. Ms. Martinez Molina agreed.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Bergmoser, with all in favor, the request for an Executive Session for Fiddler's Creek CDD #1, to be held on Monday, February 14, 2011, at 8:00 a.m., was approved.

THIRD ORDER OF BUSINESS **Engagement Letter from Akerman Senterfitt to Serve as Bond Counsel**

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

Mr. Adams referred to the proposed bond counsel bond issue agreement, with the firm of Akerman Senterfitt. He stated part of the reorganization plan is to restructure the bonds, or exchange them under different terms, to alleviate some of the debt obligation and provide some relief to the debtor.

Mr. Brougham stated, in summary, the debtor is proposing to exchange the existing bonds for new bonds and roll the delinquencies into the new bond. Mr. Adams advised, in order to make that work, there will be some new terms, such as increased amortization schedules or different principal amounts. He stated, having one (1) firm handling all of the work, for both Districts, provides some economies of scale. Mr. Adams noted Mr. Bill Reagan has prepared some proposed structures which need to be reviewed by the Districts' engaged bond counsel, to

ensure compliance with Chapter 190, with tax law and with any bankruptcy laws; this is phase 1 to these agreements. The cost is not to exceed $6,000, per District, for bond counsel to look at the bonds that are proposed for the exchange or refund, and will be paid on a time and materials basis. Mr. Adams explained that, as a part of the reorganization, if the parties and the court approve the bonds for refunding and exchange, they will proceed towards the sale of the bonds. The second phase of the agreements is to proceed with that process, for a lump sum payment of $25,000, per bond issue, which will be paid only if the bond issue is successful.

Mr. Schutt questioned if they will be duplicating the efforts carried out by someone else, since the bondholders will be reviewing all of these same issues. Mr. Adams indicated the Districts are required to engage their counsel to review the structures and ensure their legal compliance.

Mr. Brougham reiterated that the debtor is proposing an exchange of the two (2) bonds and the exact amounts, terms and conditions of the new bonds will be negotiated between the debtor and the current bondholders. The court will decide whether to order the bondholders to accept the deal. Mr. Brougham stated, as the entities issuing the bonds, the Districts are obligated to review the proposed legal structure, tax status, etc., of the bonds into which the debtors will input the terms, conditions and amounts. Mr. Brougham indicated that the related expenses will be rolled into the new bond. He stated the first phase is to determine if the structure is correct and that will be done by Mr. Michael Williams, with Akerman Senterfitt.

On MOTION for Fiddler's Creek CDD #1 by Mr. Brougham and seconded by Mr. Slater, with all in favor, accepting the engagement of Akerman Senterfitt, for the purposes stated in their proposal, was approved.

FOURTH ORDER OF BUSINESS **Continue Fiddler's Creek CDD #1**

******This item, previously the Third Order of Business, was discussed out of order.******

There being no other items on CDD #1's agenda, the meeting recessed at 8:22 a.m., and will be continued at 8:00 a.m. on Monday, February 14, 2011.

FIDDLER'S CREEK CDD #2 ITEMS

FIFTH ORDER OF BUSINESS **Engagement Letter from Akerman Senterfitt to Serve as Bond Counsel**

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

Mr. Robertson requested that the Board vote to accept the engagement letter from Akerman Senterfitt to serve as Bond Counsel for CDD #2.

On MOTION for Fiddler's Creek CDD #2 by Ms. Scott and seconded by Ms. DiNardo, with all in favor, accepting the engagement of Akerman Senterfitt, for the purposes stated in their proposal, was approved.

SIXTH ORDER OF BUSINESS **Consider Requesting Executive Summary to Discuss Potential Responses to Revised Disclosure Statement and Plans of Organization Filed by Developer**

******This item, previously the Fourth Order of Business, was discussed out of order.******

Mr. DeMarco stated, as attorney for CDD #2, in the Fiddler's Creek, LLC bankruptcy proceeding, which is pending in the Middle District of Florida, Case #10-03846, in which CDD #2 is a party in interest, there will be a revised disclosure statement and plans to be issued today, to be considered by the CDD #2 Board. Accordingly, pursuant to Florida Statute 286.011, Subsection 8, Mr. DeMarco requested that the Board meet with him, in private, to provide him with advice and counsel with respect to the Board's wishes and responses to the perspective amended disclosure statement and plans. He requested that the Board vote to have a meeting on February 14, 2011, and then determine the time.

On MOTION for Fiddler's Creek CDD #2 by Mr. Robertson and seconded by Ms. Scott, with all in favor, the request for an Executive Session for Fiddler's Creek CDD #2, to be held on Monday, February 14, 2011, at a time to be determined, was approved.

Mr. DeMarco felt it would be appropriate to give some amount of time, other than Sunday, for bond counsel to provide him with their comments so he can present them to the Board, at the executive session. He stated if they were to have the materials to him by 8:00 a.m., on Monday, February 14th, he should be able to print them out, get them prepared and be at the meeting by 9:00 a.m. Mr. DeMarco questioned Mr. Adams' availability, given the time of the CDD #1 meeting. Mr. Adams suggested that they meet at 9:30 a.m.

Mr. DeMarco referred to the spreadsheets that were circulated by the debtor to give an idea of what it is that the perspective disclosure statement and plans will contain. He suggested that both Boards review the spreadsheets and bring them to the executive sessions. Mr. Adams noted he believes they will be part of the revised disclosure statement and were sent out in preliminary form. He indicated that he will forward them to Ms. Alice Carlson to review, for accuracy, once he receives the revised disclosure statement, in the morning. At Mr. DeMarco's request, Mr. Adams noted that he will provide copies of the current version of the spreadsheets to the Board Members before Monday.

Mr. DeMarco emphasized that the focus is not on the substance of the disclosure statement or the plans that are going to be provided; it is on whether or not the information provided to the Board is sufficient for the Board to be able to vote intelligently on the terms, later. He indicated they will not be voting on anything on Monday; they will be looking at the information provided by the debtors, including the spreadsheets, and determine whether or not the schedules that were provided have been changed, in some regard. They will then review the disclosure statement, which he will forward as soon as possible.

Ms. DiNardo asked what impact the Board's information will have on the judge's determination. Mr. DeMarco explained that the judge will take into account that they have voiced objection, or have requested additional information, in determining whether or not the disclosure statement meets with the provisions of bankruptcy law. He advised the Board they should read the Joint Disclosure Statement, review the spreadsheets and try to determine whether or not they have enough information as to the treatment that CDD #2 will receive. This will determine whether they file a request for more information, or an objection. Mr. DeMarco stated the best thing that can happen is that they provide meaningful feedback to the debtor and to bond

counsel so that they know what CDD #2's position is, going forward, and if they need more information, they can ask for it.

SEVENTH ORDER OF BUSINESS **Continue Fiddler's Creek CDD #2**

******This item, previously the Fifth Order of Business, was discussed out of order.******

There being no further business to discuss, the meeting recessed at 8:51 a.m.

On MOTION for Fiddler's Creek CDD #2 by Ms. DiNardo and seconded by Ms. Scott, with all in favor, continuing the meeting to Monday, February 14, 2011, at 9:30 a.m., was approved.

Fiddler's Creek CDD #1

_____ _____

Secretary/Assistant Secretary Chair/Vice Chair

Fiddler's Creek CDD #2

_____ _____

Secretary/Assistant Secretary Chair/Vice Chair

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 (via telephone)	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 Darbon (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 Gordy Dessau, 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. Darbon: Paul, hi, this is Doug Darbon, 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. Darbon: 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. Darbon: 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 bored 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 light, 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 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. Darbon: Sorry, this is Doug Darbon. 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. Darbon: As far as that issue, again, this is Doug Darbon 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. Darbon: 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. Darbon: 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. Darbon: 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. Darbon: Our firm represents the indentured trustee, US Bank National Association.

Unidentified Speaker: I guess that's a yes?

Mr. Darbon: 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. Darbon: 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? _____ 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 defer 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. Darbon, 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 debunked 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 rejected 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. David Plummer, of 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 portable 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 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 send 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 thorough 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 Comments/Supervisors' Requests**

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

March 2, 2011

Via U.S. Mail & Facsimile
239-377-9101

John McCloskey, Safety Manager
District School Board of Collier County
5700 Cougar Lane
Naples, Florida 34109

Re: Bus Stop at Fiddler's Creek Community entrance at the Intersection of Fiddler's Creek Parkway and State Road 951/Safety Concerns/Parking and Standing of Vehicles

Dear Mr. McCloskey:

As a follow-up to your recent communications with Bob Slater, a member of the Board of Supervisors of Fiddler's Creek Community Development District 1 ("FCCDD 1"), the Board of Supervisors discussed this matter at its meeting held on February 23, 2011.

Based upon the discussion that was held and safety concerns expressed by the members of the Board, the Board of Supervisors has authorized me to send this letter requesting that the pickup and drop off point for school buses be moved from the current location west of the entry gates on Fiddler's Creek Parkway to a location east of the entry gates.

In addition to the concerns expressed with regards to the safety of the children awaiting pickup and at the time of drop off, safety hazards have been created by virtue of the parents and/or guardians parking on the north side of Fiddler's Creek Parkway just west of the gates. Such parking or standing of vehicles creates a traffic hazard for exiting resident motor vehicles. FCCDD 1 has discussed alternative parking arrangements with the Master Association, the Fiddler's Creek Foundation, and it has been agreed that a more appropriate location would be one located east of the entry gates in an area known as Marsh Point. Marsh Point offers a safe off-road off-street parking location for parents and/or guardians to park and/or stand while awaiting the pickup and/or dropping off of their students, and has sufficient room to allow a turn around for the school bus so that busses can safely enter and exit the parking area. This Marsh Point location is indicated on the attached aerial photograph.

We at FCCDD 1 continue to look forward to working cooperatively with the Charter School and the District School Board of Collier County to ensure the safe transportation of students as well as the safety of residents and visitors of Fiddler's Creek.

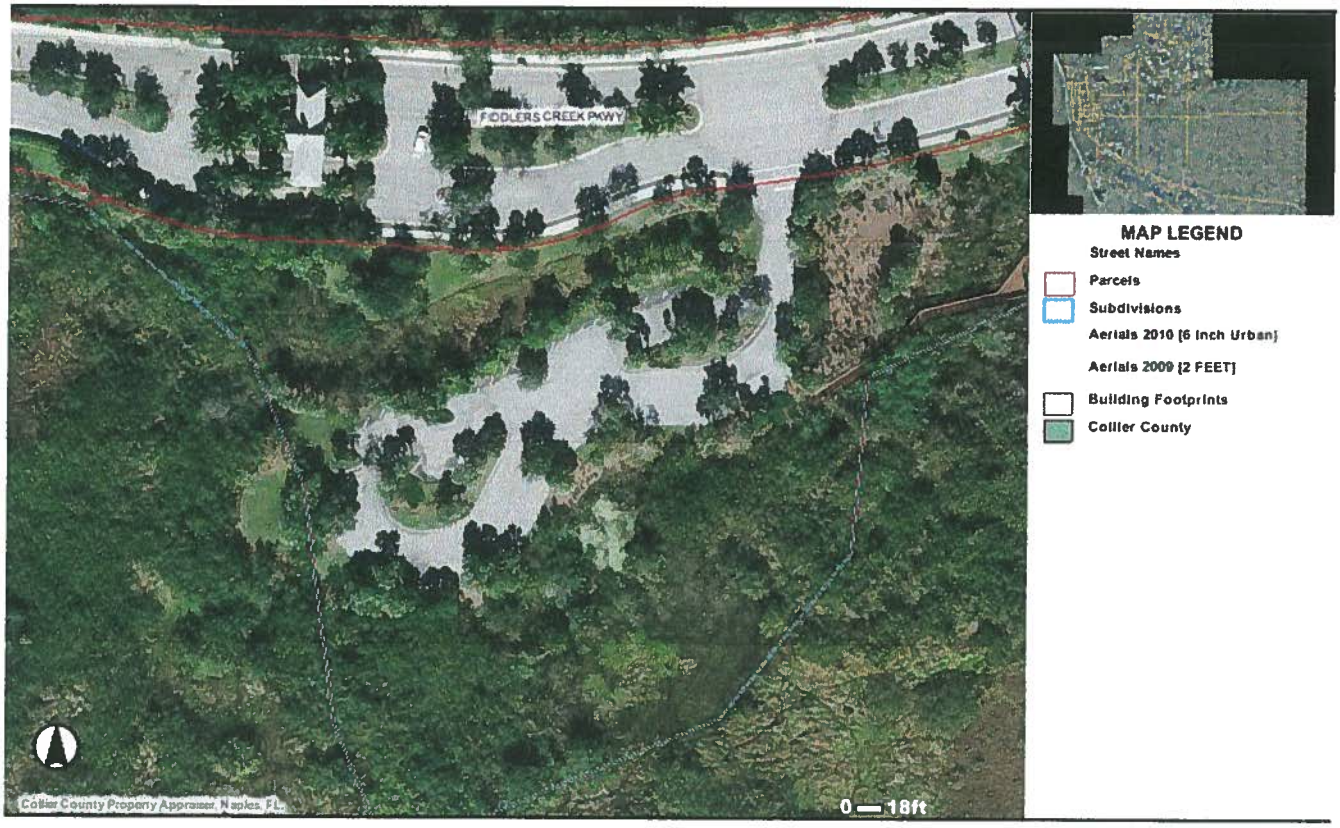
Please feel free to contact me at my home phone # 239-793-5671 and/or cell #239-269-5870, if you have any questions and wish to further discuss this issue.

Sincerely,

Phillip Brougham
Chairman

Enclosure(s)

cc: Fiddler's Creek Foundation
Chuck Adams
Anthony P. Pires, Jr., Esq.
Board of Supervisors, Fiddler's Creek CDD 1



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Daphne Gillyard

From: Chuck Adams [Adamsc@whhassociates.com]
Sent: Thursday, March 17, 2011 10:06 AM
To: Daphne Gillyard
Subject: FW: Fiddler's Creek Bus Stop

Daphne
Please use this email as well as the original letter Cleo sent via fed ex as back up to the "bus stop status" business item.

Thanks

Chuck Adams
Director Of Operations
Wrathell, Hunt and Associates, LLC
(239) 464-7114 cell

From: Phil Brougham [mailto:phillip.brougham@gmail.com]
Sent: Friday, March 11, 2011 10:07 AM
To: AlbaneMa@collier.k12.fl.us
Cc: 'Albeit, Ron'; 'Pires, Tony'; McclosJo@collier.k12.fl.us; 'Adams, Chuck'
Subject: RE: Fiddler's Creek Bus Stop

Mr. Albanese

Thank you for your quick response by phone. To confirm, the children will be dropped off and picked up on the sidewalk adjacent to the Marsh Pointe parking lot, inside the gate at Fiddler's Creek, beginning the morning of March 29, 2011. As we discussed, the parents or caregivers must not park or stand on the roadway of Fiddler's Creek Parkway but should park in the Marsh Pointe parking area. It would be much simpler if the bus pulled into the parking lot as well as potentially less obstructive to traffic flow, to drop off and pick up children but there is a median cut a short distance up Fiddler's Creek Parkway for them to make a U turn if transportation insists on that procedure.

Essentially, vehicles bringing children in from outside Fiddler's Creek will utilize the "Guest Lane" at the main gate, state they are picking up or dropping off students. Gate personnel will provide a guest pass good for the day, to allow them to enter and exit the gate through the Guest Lanes. Gate personnel have been advised of this procedure and I don't anticipate any issues, however please contact me if there are any issues that need worked out.

Thank you for your assistance

Phil Brougham

From: Phil Brougham [mailto:phillip.brougham@gmail.com]
Sent: Friday, March 11, 2011 9:28 AM
To: AlbaneMa@collier.k12.fl.us
Cc: Albeit, Ron; Pires, Tony; MccloslJo@collier.k12.fl.us; Adams, Chuck
Subject: Fiddler's Creek Bus Stop

Mr. Albanese

Was nice speaking with you last week concerning the issue of moving the bus stop within Fiddler's Creek to another, more safe location. I also had mailed a letter to Mr. McCloskey last week explaining the problem with the current bus stop and suggesting it be moved just inside our gate to an off street parking lot. As of this time, I have not received a reply from Mr. McCloskey or anyone else with respect to the issue.

Both the Community Development District and the Master Association within Fiddler's Creek want to work in conjunction with the School District and the Marco Island Charter Middle School and the parents to affect a solution to this problem and hope to receive a response from someone in authority in this regard soon.

Although there is a CDD Board of Supervisors and Master Association policy against standing or parking on District roadways, we have chosen not to enforce this policy, at this point, with the parents or care givers dropping off and picking up children just outside our main entrance. However I am sure you understand that policy at some point will be enforced if we cannot reach agreement to move the bus stop.

While I realize this decision is not necessarily yours to make, I would appreciate any assistance you can render with the School District to be responsive.

Thank you

Phil Brougham
Chair, Fiddler's Creek CDD#1

Select Year: 2010 Go

The 2010 Florida Statutes(including Special Session A)

Title XXIII
MOTOR VEHICLES

Chapter 316
STATE UNIFORM TRAFFIC CONTROL

View Entire Chapter

316.194 Stopping, standing or parking outside of municipalities.—

(1) Upon any highway outside of a municipality, no person shall stop, park, or leave standing any vehicle, whether attended or unattended, upon the paved or main-traveled part of the highway when it is practicable to stop, park, or so leave the vehicle off such part of the highway; but in every event an unobstructed width of the highway opposite a standing vehicle shall be left for the free passage of other vehicles, and a clear view of the stopped vehicle shall be available from a distance of 200 feet in each direction upon the highway.

(2) This section shall not apply to the driver or owner of any vehicle which is disabled while on the paved or main-traveled portion of a highway in such manner and to such extent that it is impossible to avoid stopping and temporarily leaving the disabled vehicle in such position, or to passenger-carrying buses temporarily parked while loading or discharging passengers, where highway conditions render such parking off the paved portion of the highway hazardous or impractical.

(3)(a) Whenever any police officer or traffic accident investigation officer finds a vehicle standing upon a highway in violation of any of the foregoing provisions of this section, the officer is authorized to move the vehicle, or require the driver or other persons in charge of the vehicle to move the vehicle, to a position off the paved or main-traveled part of the highway.

(b) Officers and traffic accident investigation officers may provide for the removal of any abandoned vehicle to the nearest garage or other place of safety, cost of such removal to be a lien against motor vehicle, when an abandoned vehicle is found unattended upon a bridge or causeway or in any tunnel, or on any public highway in the following instances:

1. Where such vehicle constitutes an obstruction of traffic;
2. Where such vehicle has been parked or stored on the public right-of-way for a period exceeding 48 hours, in other than designated parking areas, and is within 30 feet of the pavement edge; and
3. Where an operative vehicle has been parked or stored on the public right-of-way for a period exceeding 10 days, in other than designated parking areas, and is more than 30 feet from the pavement edge. However, the agency removing such vehicle shall be required to report same to the Department of Highway Safety and Motor Vehicles within 24 hours of such removal.

(c) Any vehicle moved under the provisions of this chapter which is a stolen vehicle shall not be subject to the provisions hereof unless the moving authority has reported to the Florida Highway Patrol the taking into possession of the vehicle within 24 hours of the moving of the vehicle.

(4) A violation of this section is a noncriminal traffic infraction, punishable as a moving violation as provided in chapter 318.

History.—s. 1, ch. 71-135; s. 1, ch. 71-352; s. 1, ch. 76-31; s. 142, ch. 99-248; s. 35, ch. 2005-164.

Note.—Former s. 316.124.

Select Year: 2010 Go

The 2010 Florida Statutes(including Special Session A)

Title XXIII
MOTOR VEHICLES

Chapter 316
STATE UNIFORM TRAFFIC CONTROL

View Entire Chapter

316.1945 Stopping, standing, or parking prohibited in specified places.—

(1) Except when necessary to avoid conflict with other traffic, or in compliance with law or the directions of a police officer or official traffic control device, no person shall:

(a) Stop, stand, or park a vehicle:

1. On the roadway side of any vehicle stopped or parked at the edge or curb of a street.
2. On a sidewalk.
3. Within an intersection.
4. On a crosswalk.
5. Between a safety zone and the adjacent curb or within 30 feet of points on the curb immediately opposite the ends of a safety zone, unless the Department of Transportation indicates a different length by signs or markings.
6. Alongside or opposite any street excavation or obstruction when stopping, standing, or parking would obstruct traffic.
7. Upon any bridge or other elevated structure upon a highway or within a highway tunnel.
8. On any railroad tracks.
9. On a bicycle path.
10. At any place where official traffic control devices prohibit stopping.
11. On the roadway or shoulder of a limited access facility, except as provided by regulation of the Department of Transportation, or on the paved portion of a connecting ramp; except that a vehicle which is disabled or in a condition improper to be driven as a result of mechanical failure or crash may be parked on such shoulder for a period not to exceed 6 hours. This provision is not applicable to a person stopping a vehicle to render aid to an injured person or assistance to a disabled vehicle in obedience to the directions of a law enforcement officer or to a person stopping a vehicle in compliance with applicable traffic laws.
12. For the purpose of loading or unloading a passenger on the paved roadway or shoulder of a limited access facility or on the paved portion of any connecting ramp. This provision is not applicable to a person stopping a vehicle to render aid to an injured person or assistance to a disabled vehicle.

(b) Stand or park a vehicle, whether occupied or not, except momentarily to pick up or discharge a passenger or passengers:

1. In front of a public or private driveway.
2. Within 15 feet of a fire hydrant.
3. Within 20 feet of a crosswalk at an intersection.
4. Within 30 feet upon the approach to any flashing signal, stop sign, or traffic control signal located at the side of a roadway.

5. Within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of such entrance (when property signposted).

6. On an exclusive bicycle lane.

7. At any place where official traffic control devices prohibit standing.

(c) Park a vehicle, whether occupied or not, except temporarily for the purpose of, and while actually engaged in, loading or unloading merchandise or passengers:

1. Within 50 feet of the nearest rail of a railroad crossing unless the Department of Transportation establishes a different distance due to unusual circumstances.

2. At any place where official signs prohibit parking.

(2) No person shall move a vehicle not lawfully under his or her control into any such prohibited area or away from a curb such a distance as is unlawful.

(3) A law enforcement officer or parking enforcement specialist who discovers a vehicle parked in violation of this section or a municipal or county ordinance may:

(a) Issue a ticket form as may be used by a political subdivision or municipality to the driver; or

(b) If the vehicle is unattended, attach such ticket to the vehicle in a conspicuous place, except that the uniform traffic citation prepared by the department pursuant to s. 316.650 may not be issued by being attached to an unattended vehicle.

The uniform traffic citation prepared by the department pursuant to s. 316.650 may not be issued for violation of a municipal or county parking ordinance.

(4) A violation of this section is a noncriminal traffic infraction, punishable as a nonmoving violation as provided in chapter 318.

History.—s. 1, ch. 71-135; s. 1, ch. 76-31; s. 2, ch. 78-52; s. 1, ch. 79-403; s. 2, ch. 80-316; s. 5, ch. 83-68; s. 5, ch. 84-309; s. 1, ch. 85-81; s. 2, ch. 88-91; s. 317, ch. 95-148; s. 143, ch. 99-248.

Note.—Former s. 316.160.

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The 2010 Florida Statutes(including Special Session A)

Title XXIII
MOTOR VEHICLES

Chapter 316
STATE UNIFORM TRAFFIC CONTROL

View Entire Chapter

316.003 Definitions.—The following words and phrases, when used in this chapter, shall have the meanings respectively ascribed to them in this section, except where the context otherwise requires:

(1) AUTHORIZED EMERGENCY VEHICLES.—Vehicles of the fire department (fire patrol), police vehicles, and such ambulances and emergency vehicles of municipal departments, public service corporations operated by private corporations, the Department of Environmental Protection, the Department of Health, the Department of Transportation, and the Department of Corrections as are designated or authorized by their respective department or the chief of police of an incorporated city or any sheriff of any of the various counties.

(2) BICYCLE.—Every vehicle propelled solely by human power, and every motorized bicycle propelled by a combination of human power and an electric helper motor capable of propelling the vehicle at a speed of not more than 20 miles per hour on level ground upon which any person may ride, having two tandem wheels, and including any device generally recognized as a bicycle though equipped with two front or two rear wheels. The term does not include such a vehicle with a seat height of no more than 25 inches from the ground when the seat is adjusted to its highest position or a scooter or similar device. No person under the age of 16 may operate or ride upon a motorized bicycle.

(3) BUS.—Any motor vehicle designed for carrying more than 10 passengers and used for the transportation of persons and any motor vehicle, other than a taxicab, designed and used for the transportation of persons for compensation.

(4) BUSINESS DISTRICT.—The territory contiguous to, and including, a highway when 50 percent or more of the frontage thereon, for a distance of 300 feet or more, is occupied by buildings in use for business.

(5) CANCELLATION.—Cancellation means that a license which was issued through error or fraud is declared void and terminated. A new license may be obtained only as permitted in this chapter.

(6) CROSSWALK.—

(a) That part of a roadway at an intersection included within the connections of the lateral lines of the sidewalks on opposite sides of the highway, measured from the curbs or, in the absence of curbs, from the edges of the traversable roadway.

(b) Any portion of a roadway at an intersection or elsewhere distinctly indicated for pedestrian crossing by lines or other markings on the surface.

(7) DAYTIME.—The period from a half hour before sunrise to a half hour after sunset. Nighttime means at any other hour.

(8) DEPARTMENT.—The Department of Highway Safety and Motor Vehicles as defined in s. 20.24. Any reference herein to Department of Transportation shall be construed as referring to the Department of Transportation, defined in s. 20.23, or the appropriate division thereof.

(9) DIRECTOR.—The Director of the Division of the Florida Highway Patrol of the Department of Highway Safety and Motor Vehicles.

(10) DRIVER.—Any person who drives or is in actual physical control of a vehicle on a highway or who is exercising control of a vehicle or steering a vehicle being towed by a motor vehicle.

(11) EXPLOSIVE.—Any chemical compound or mechanical mixture that is commonly used or intended for the purpose of producing an explosion and which contains any oxidizing and combustive units or other ingredients in such proportions, quantities, or packing that an ignition by fire, friction, concussion, percussion, or detonator of any part of the compound or mixture may cause such a sudden generation of highly heated gases that the resultant gaseous pressures are capable of producing destructive effect on contiguous objects or of destroying life or limb.

(12) FARM TRACTOR.—Any motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines, and other implements of husbandry.

(13) FLAMMABLE LIQUID.—Any liquid which has a flash point of 70 degrees Fahrenheit or less, as determined by a Tagliabue or equivalent closed-cup test device.

(14) GROSS WEIGHT.—The weight of a vehicle without load plus the weight of any load thereon.

(15) HOUSE TRAILER.—

(a) A trailer or semitrailer which is designed, constructed, and equipped as a dwelling place, living abode, or sleeping place (either permanently or temporarily) and is equipped for use as a conveyance on streets and highways, or

(b) A trailer or a semitrailer the chassis and exterior shell of which is designed and constructed for use as a house trailer, as defined in paragraph (a), but which is used instead, permanently or temporarily, for the advertising, sales, display, or promotion of merchandise or services or for any other commercial purpose except the transportation of property for hire or the transportation of property for distribution by a private carrier.

(16) IMPLEMENT OF HUSBANDRY.—Any vehicle designed and adapted exclusively for agricultural, horticultural, or livestock-raising operations or for lifting or carrying an implement of husbandry and in either case not subject to registration if used upon the highways.

(17) INTERSECTION.—

(a) The area embraced within the prolongation or connection of the lateral curblines; or, if none, then the lateral boundary lines of the roadways of two highways which join one another at, or approximately at, right angles; or the area within which vehicles traveling upon different highways joining at any other angle may come in conflict.

(b) Where a highway includes two roadways 30 feet or more apart, then every crossing of each roadway of such divided highway by an intersecting highway shall be regarded as a separate intersection. In the event such intersecting highway also includes two roadways 30 feet or more apart, then every crossing of two roadways of such highways shall be regarded as a separate intersection.

(18) LANED HIGHWAY.—A highway the roadway of which is divided into two or more clearly marked lanes for vehicular traffic.

(19) LIMITED ACCESS FACILITY.—A street or highway especially designed for through traffic and over, from, or to which owners or occupants of abutting land or other persons have no right or easement, or only a limited right or easement, of access, light, air, or view by reason of the fact that their property abuts upon such limited access facility or for any other reason. Such highways or streets may be parkways from which trucks, buses, and other commercial vehicles are excluded; or they may be freeways open to use by all customary forms of street and highway traffic.

(20) LOCAL AUTHORITIES.—Includes all officers and public officials of the several counties and municipalities of this state.

(21) MOTOR VEHICLE.—Any self-propelled vehicle not operated upon rails or guideway, but not including any bicycle, motorized scooter, electric personal assistive mobility device, or moped.

(22) MOTORCYCLE.—Any motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, but excluding a tractor or a moped.

(23) OFFICIAL TRAFFIC CONTROL DEVICES.—All signs, signals, markings, and devices, not inconsistent with this chapter, placed or erected by authority of a public body or official having jurisdiction for the purpose of regulating, warning, or guiding traffic.

(24) OFFICIAL TRAFFIC CONTROL SIGNAL.—Any device, whether manually, electrically, or mechanically operated, by which traffic is alternately directed to stop and permitted to proceed.

(25) OPERATOR.—Any person who is in actual physical control of a motor vehicle upon the highway, or who is exercising control over or steering a vehicle being towed by a motor vehicle.

(26) OWNER.—A person who holds the legal title of a vehicle, or, in the event a vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee, or lessee, or mortgagor shall be deemed the owner, for the purposes of this chapter.

(27) PARK OR PARKING.—The standing of a vehicle, whether occupied or not, otherwise than temporarily for the purpose of and while actually engaged in loading or unloading merchandise or passengers as may be permitted by law under this chapter.

(28) PEDESTRIAN.—Any person afoot.

(29) PERSON.—Any natural person, firm, copartnership, association, or corporation.

(30) PNEUMATIC TIRE.—Any tire in which compressed air is designed to support the load.

(31) POLE TRAILER.—Any vehicle without motive power designed to be drawn by another vehicle and attached to the towing vehicle by means of a reach or pole, or by being boomed or otherwise secured to the towing vehicle, and ordinarily used for transporting long or irregularly shaped loads such as poles, pipes, or structural members capable, generally, of sustaining themselves as beams between the supporting connections.

(32) POLICE OFFICER.—Any officer authorized to direct or regulate traffic or to make arrests for violations of traffic regulations, including Florida highway patrol officers, sheriffs, deputy sheriffs, and municipal police officers.

(33) PRIVATE ROAD OR DRIVEWAY.—Except as otherwise provided in paragraph (53)(b), any privately owned way or place used for vehicular travel by the owner and those having express or implied permission from the owner, but not by other persons.

(34) RADIOACTIVE MATERIALS.—Any materials or combination of materials which emit ionizing radiation spontaneously in which the radioactivity per gram of material, in any form, is greater than 0.002 microcuries.

(35) RAILROAD.—A carrier of persons or property upon cars operated upon stationary rails.

(36) RAILROAD SIGN OR SIGNAL.—Any sign, signal, or device erected by authority of a public body or official, or by a railroad, and intended to give notice of the presence of railroad tracks or the approach of a railroad train.

(37) RAILROAD TRAIN.—A steam engine, electric or other motor, with or without cars coupled thereto, operated upon rails, except a streetcar.

(38) RESIDENCE DISTRICT.—The territory contiguous to, and including, a highway, not comprising a business district, when the property on such highway, for a distance of 300 feet or more, is, in the main, improved with residences or residences and buildings in use for business.

(39) REVOCATION.—Revocation means that a licensee's privilege to drive a motor vehicle is terminated. A new license may be obtained only as permitted by law.

(40) RIGHT-OF-WAY.—The right of one vehicle or pedestrian to proceed in a lawful manner in preference to another vehicle or pedestrian approaching under such circumstances of direction, speed, and proximity as to give rise to danger of collision unless one grants precedence to the other.

(41) ROAD TRACTOR.—Any motor vehicle designed and used for drawing other vehicles and not so constructed as to carry any load thereon, either independently or as any part of the weight of a vehicle or load so drawn.

(42) ROADWAY.—That portion of a highway improved, designed, or ordinarily used for vehicular travel, exclusive of the berm or shoulder. In the event a highway includes two or more separate roadways, the term "roadway" as used herein refers to any such roadway separately, but not to all such roadways collectively.

(43) SADDLE MOUNT; FULL MOUNT.—An arrangement whereby the front wheels of one vehicle rest in a secured position upon another vehicle. All of the wheels of the towing vehicle are upon the ground, and only the rear wheels of the towed vehicle rest upon the ground. Such combinations may include one full mount, whereby a smaller transport vehicle is placed completely on the last towed vehicle.

(44) SAFETY ZONE.—The area or space officially set apart within a roadway for the exclusive use of pedestrians and protected or so marked by adequate signs or authorized pavement markings as to be plainly visible at all times while set apart as a safety zone.

(45) SCHOOL BUS.—Any motor vehicle that complies with the color and identification requirements of chapter 1006 and is used to transport children to or from public or private school or in connection with school activities, but not including buses operated by common carriers in urban transportation of school children. The term "school" includes all preelementary, elementary, secondary, and postsecondary schools.

(46) SEMITRAILER.—Any vehicle with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that some part of its weight and that of its load rests upon, or is carried by, another vehicle.

(47) SIDEWALK.—That portion of a street between the curbline, or the lateral line, of a roadway and the adjacent property lines, intended for use by pedestrians.

(48) SPECIAL MOBILE EQUIPMENT.—Any vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including, but not limited to, ditchdigging apparatus, well-boring apparatus, and road construction and maintenance machinery, such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earthmoving carryalls and scrapers, power shovels and draglines, and self-propelled cranes and earthmoving equipment. The term does not include house trailers, dump trucks, truck-mounted transit mixers, cranes or shovels, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

(49) STAND OR STANDING.—The halting of a vehicle, whether occupied or not, otherwise than temporarily, for the purpose of, and while actually engaged in, receiving or discharging passengers, as may be permitted by law under this chapter.

(50) STATE ROAD.—Any highway designated as a state-maintained road by the Department of Transportation.

(51) STOP.—When required, complete cessation from movement.

(52) STOP OR STOPPING.—When prohibited, any halting, even momentarily, of a vehicle, whether occupied or not, except when necessary to avoid conflict with other traffic or to comply with the directions of a law enforcement officer or traffic control sign or signal.

(53) STREET OR HIGHWAY.—

(a) The entire width between the boundary lines of every way or place of whatever nature when any part thereof is open to the use of the public for purposes of vehicular traffic;

(b) The entire width between the boundary lines of any privately owned way or place used for vehicular travel by the owner and those having express or implied permission from the owner, but not by other persons, or any limited access road owned or controlled by a special district, whenever, by written agreement entered into under s. 316.006(2)(b) or (3)(b), a county or municipality exercises traffic control jurisdiction over said way or place;

(c) Any area, such as a runway, taxiway, ramp, clear zone, or parking lot, within the boundary of any airport owned by the state, a county, a municipality, or a political subdivision, which area is used for vehicular traffic but which is not open for vehicular operation by the general public; or

(d) Any way or place used for vehicular traffic on a controlled access basis within a mobile home park recreation district which has been created under s. 418.30 and the recreational facilities of which district are open to the general public.

(54) SUSPENSION.—Temporary withdrawal of a licensee's privilege to drive a motor vehicle.

(55) THROUGH HIGHWAY.—Any highway or portion thereof on which vehicular traffic is given the right-of-way and at the entrances to which vehicular traffic from intersecting highways is required to yield right-of-way to vehicles on such through highway in obedience to either a stop sign or yield sign, or otherwise in obedience to law.

(56) TIRE WIDTH.—Tire width is that width stated on the surface of the tire by the manufacturer of the tire, if the width stated does not exceed 2 inches more than the width of the tire contacting the surface.

(57) TRAFFIC.—Pedestrians, ridden or herded animals, and vehicles, streetcars, and other conveyances either singly or together while using any street or highway for purposes of travel.

(58) TRAILER.—Any vehicle with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle.

(59) TRUCK.—Any motor vehicle designed, used, or maintained primarily for the transportation of property.

(60) TRUCK TRACTOR.—Any motor vehicle designed and used primarily for drawing other vehicles and not so constructed as to carry a load other than a part of the weight of the vehicle and load so drawn.

(61) MIGRANT OR SEASONAL FARM WORKER.—Any person employed in hand labor operations in planting, cultivation, or harvesting agricultural crops.

(62) FARM LABOR VEHICLE.—Any vehicle equipped and used for the transportation of nine or more migrant or seasonal farm workers, in addition to the driver, to or from a place of employment or employment-related activities. The term does not include:

(a) Any vehicle carrying only members of the immediate family of the owner or driver.

(b) Any vehicle being operated by a common carrier of passengers.

(c) Any carpool as defined in s. 450.28(3).

(63) BICYCLE PATH.—Any road, path, or way that is open to bicycle travel, which road, path, or way is physically separated from motorized vehicular traffic by an open space or by a barrier and is located either within the highway right-of-way or within an independent right-of-way.

(64) CHIEF ADMINISTRATIVE OFFICER.—The head, or his or her designee, of any law enforcement agency which is authorized to enforce traffic laws.

(65) CHILD.—A child as defined in s. 39.01, s. 984.03, or s. 985.03.

(66) COMMERCIAL MOTOR VEHICLE.—Any self-propelled or towed vehicle used on the public highways in commerce to transport passengers or cargo, if such vehicle:

(a) Has a gross vehicle weight rating of 10,000 pounds or more;

(b) Is designed to transport more than 15 passengers, including the driver; or

(c) Is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act, as amended (49 U.S.C. ss. 1801 et seq.).

A vehicle that occasionally transports personal property to and from a closed-course motorsport facility, as defined in s. 549.09(1)(a), is not a commercial motor vehicle if it is not used for profit and corporate sponsorship is not involved. As used in this subsection, the term "corporate sponsorship" means a payment, donation, gratuity, in-kind service, or other benefit provided to or derived by a person in relation to the underlying activity, other than the display of product or corporate names, logos, or other graphic information on the property being transported.

(67) COURT.—The court having jurisdiction over traffic offenses.

(68) GOLF CART.—A motor vehicle designed and manufactured for operation on a golf course for sporting or recreational purposes.

(69) HAZARDOUS MATERIAL.—Any substance or material which has been determined by the secretary of the United States Department of Transportation to be capable of imposing an unreasonable risk to health, safety, and property. This term includes hazardous waste as defined in s. 403.703(13).

(70) STRAIGHT TRUCK.—Any truck on which the cargo unit and the motive power unit are located on the same frame so as to form a single, rigid unit.

(71) TANDEM TRAILER TRUCK.—Any combination of a truck tractor, semitrailer, and trailer coupled together so as to operate as a complete unit.

(72) TANDEM TRAILER TRUCK HIGHWAY NETWORK.—A highway network consisting primarily of four or more lanes, including all interstate highways; highways designated by the United States Department of Transportation as elements of the National Network; and any street or highway designated by the Florida Department of Transportation for use by tandem trailer trucks, in accordance with s. 316.515, except roads on which truck traffic was specifically prohibited on January 6, 1983.

(73) TERMINAL.—Any location where:

(a) Freight either originates, terminates, or is handled in the transportation process; or

(b) Commercial motor carriers maintain operating facilities.

(74) TRANSPORTATION.—The conveyance or movement of goods, materials, livestock, or persons from one location to another on any road, street, or highway open to travel by the public.

(75) VEHICLE.—Every device, in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting devices used exclusively upon stationary rails or tracks.

(76) BRAKE HORSEPOWER.—The actual unit of torque developed per unit of time at the output shaft of an engine, as measured by a dynamometer.

(77) MOPED.—Any vehicle with pedals to permit propulsion by human power, having a seat or saddle for the use of the rider and designed to travel on not more than three wheels; with a motor rated not in

excess of 2 brake horsepower and not capable of propelling the vehicle at a speed greater than 30 miles per hour on level ground; and with a power-drive system that functions directly or automatically without clutching or shifting gears by the operator after the drive system is engaged. If an internal combustion engine is used, the displacement may not exceed 50 cubic centimeters.

(78) NONPUBLIC SECTOR BUS.—Any bus which is used for the transportation of persons for compensation and which is not owned, leased, operated, or controlled by a municipal, county, or state government or a governmentally owned or managed nonprofit corporation.

(79) WORK ZONE AREA.—The area and its approaches on any state-maintained highway, county-maintained highway, or municipal street where construction, repair, maintenance, or other street-related or highway-related work is being performed or where one or more lanes is closed to traffic.

(80) MAXI-CUBE VEHICLE.—A specialized combination vehicle consisting of a truck carrying a separable cargo-carrying unit combined with a semitrailer designed so that the separable cargo-carrying unit is to be loaded and unloaded through the semitrailer. The entire combination may not exceed 65 feet in length, and a single component of that combination may not exceed 34 feet in length.

(81) TANDEM AXLE.—Any two axles whose centers are more than 40 inches but not more than 96 inches apart and are individually attached to or articulated from, or both, a common attachment to the vehicle, including a connecting mechanism designed to equalize the load between axles.

(82) MOTORIZED SCOOTER.—Any vehicle not having a seat or saddle for the use of the rider, designed to travel on not more than three wheels, and not capable of propelling the vehicle at a speed greater than 30 miles per hour on level ground.

(83) ELECTRIC PERSONAL ASSISTIVE MOBILITY DEVICE.—Any self-balancing, two-nontandem-wheeled device, designed to transport only one person, with an electric propulsion system with average power of 750 watts (1 horsepower), the maximum speed of which, on a paved level surface when powered solely by such a propulsion system while being ridden by an operator who weighs 170 pounds, is less than 20 miles per hour. Electric personal assistive mobility devices are not vehicles as defined in this section.

(84) TRAFFIC SIGNAL PREEMPTION SYSTEM.—Any system or device with the capability of activating a control mechanism mounted on or near traffic signals which alters a traffic signal's timing cycle.

(85) VICTIM SERVICES PROGRAMS.—Any community-based organization whose primary purpose is to act as an advocate for the victims and survivors of traffic crashes and for their families. The victims services offered by these programs may include grief and crisis counseling, assistance with preparing victim compensation claims excluding third-party legal action, or connecting persons with other service providers, and providing emergency financial assistance.

(86) MOTOR CARRIER TRANSPORTATION CONTRACT.—

(a) A contract, agreement, or understanding covering:

1. The transportation of property for compensation or hire by the motor carrier;

2. Entrance on property by the motor carrier for the purpose of loading, unloading, or transporting property for compensation or hire; or

3. A service incidental to activity described in subparagraph 1. or subparagraph 2., including, but not limited to, storage of property.

(b) "Motor carrier transportation contract" does not include the Uniform Intermodal Interchange and Facilities Access Agreement administered by the Intermodal Association of North America or other agreements providing for the interchange, use, or possession of intermodal chassis, containers, or other intermodal equipment.

(87) TRAFFIC INFRACTION DETECTOR.—A vehicle sensor installed to work in conjunction with a traffic control signal and a camera or cameras synchronized to automatically record two or more

sequenced photographic or electronic images or streaming video of only the rear of a motor vehicle at the time the vehicle fails to stop behind the stop bar or clearly marked stop line when facing a traffic control signal steady red light. Any notification under s. 316.0083(1)(b) or traffic citation issued by the use of a traffic infraction detector must include a photograph or other recorded image showing both the license tag of the offending vehicle and the traffic control device being violated.

(88) TRI-VEHICLE.—An enclosed three-wheeled passenger vehicle that:

(a) Is designed to operate with three wheels in contact with the ground;

(b) Has a minimum unladen weight of 900 pounds;

(c) Has a single, completely enclosed, occupant compartment;

(d) Is produced in a minimum quantity of 300 in any calendar year;

(e) Is capable of a speed greater than 60 miles per hour on level ground; and

(f) Is equipped with:

1. Seats that are certified by the vehicle manufacturer to meet the requirements of Federal Motor Vehicle Safety Standard No. 207, "Seating systems" (49 C.F.R. s. 571.207);

2. A steering wheel used to maneuver the vehicle;

3. A propulsion unit located forward or aft of the enclosed occupant compartment;

4. A seat belt for each vehicle occupant certified to meet the requirements of Federal Motor Vehicle Safety Standard No. 209, "Seat belt assemblies" (49 C.F.R. s. 571.209);

5. A windshield and an appropriate windshield wiper and washer system that are certified by the vehicle manufacturer to meet the requirements of Federal Motor Vehicle Safety Standard No. 205, "Glazing Materials" (49 C.F.R. s. 571.205) and Federal Motor Vehicle Safety Standard No. 104, "Windshield Wiping and Washing Systems" (49 C.F.R. s. 571.104); and

6. A vehicle structure certified by the vehicle manufacturer to meet the requirements of Federal Motor Vehicle Safety Standard No. 216, "Rollover crush resistance" (49 C.F.R. s. 571.216).

History.—s. 1, ch. 71-135; s. 1, ch. 72-179; s. 1, ch. 74-213; s. 1, ch. 76-286; s. 1, ch. 77-174; s. 1, ch. 80-316; s. 23, ch. 82-186; s. 1, ch. 83-68; s. 1, ch. 83-164; s. 1, ch. 83-188; s. 1, ch. 83-298; s. 1, ch. 84-284; s. 9, ch. 85-309; s. 2, ch. 87-88; s. 5, ch. 87-161; s. 1, ch. 87-178; s. 1, ch. 87-270; s. 3, ch. 88-91; s. 2, ch. 88-93; s. 4, ch. 88-130; s. 63, ch. 89-282; s. 3, ch. 91-418; s. 8, ch. 94-306; s. 893, ch. 95-148; s. 1, ch. 95-247; s. 26, ch. 98-280; s. 2, ch. 98-308; s. 86, ch. 99-13; s. 80, ch. 99-248; s. 5, ch. 99-385; s. 41, ch. 2000-152; ss. 67, 133, ch. 2002-20; s. 955, ch. 2002-387; s. 27, ch. 2005-164; s. 1, ch. 2005-177; s. 1, ch. 2006-81; s. 5, ch. 2006-290; s. 1, ch. 2007-210; s. 62, ch. 2008-4; s. 1, ch. 2008-179; s. 2, ch. 2010-80; s. 1, ch. 2010-223; s. 8, ch. 2010-225.

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