

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

The Board of Supervisors of the Fiddler's Creek Community Development District #2 held a Regular Meeting on September 25, 2019 at 10:00 a.m., at the Fiddler's Creek Club and Spa, 3470 Club Center Boulevard, Naples, Florida 34114.

Present at the meeting were:

Elliot Miller	Chair
Victoria DiNardo	Vice Chair
Linda Viegas	Assistant Secretary
Bill Klug	Assistant Secretary
John Nuzzo	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Jason Olson	Assistant Regional Manager
Tony Pires	District Counsel
Terry Cole	District Engineer
Ron Albeit	Foundation General Manager
Valerie Lord	Foundation Counsel
Shane Willis	Fiddler's Creek Security
Bill Reagan	FMSbonds, Inc.
Cheryl O'Donnell Guth (via phone)	McGuireWoods LLP
Aaron Raistick	Pulte
Joe Vaccaro	Resident
Michael Buck	Resident
Mo and Joan Ghafouri	Residents
Margie and Tony Cardillo	Residents
Shannon Benedetti	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mrs. Adams called the meeting to order at 10:00 a.m. All Supervisors were present, in person.

SECOND ORDER OF BUSINESS

Public Comments: Non-Agenda Items

There were no public comments.

Disclaimer: These minutes are a summary of the meeting and are intended to provide highlights of the topics discussed, items considered and actions taken.

Mr. Miller suggested taking the Eighth, Ninth and Tenth Orders of Business out of order.

On MOTION by Ms. DiNardo and seconded by Mr. Klug, with all in favor, taking the Eighth, Ninth and Tenth Orders of Business out of order and the addition of consideration of a Partial Termination of Grant of Temporary Construction and Access Easement, during the Eighth Order of Business, was approved.

Mr. Miller recalled discussion at the last few meetings regarding bond refinancing, as interest rates are now much lower than the current rate of over 6%. The prior plan included obtaining a rating from Standard & Poor's (S&P) to possibly get an even lower interest rate than without the rating. The refunding would include the principal balance, cost of issuance and payment on some of the November 1, 2019 interest payment. In May, Wilmington Trust (WT) made a payment to the bondholders and, at the time, incorrectly confirmed that the account had enough left to make the November 1st interest payment. This refunding would accomplish the following:

- Lower the interest rate and principal payments.
- Generate the additional funds needed for the November 1st payment, provided the closing is completed by the end of October.
- Aid in settling the interpleader case, as a settlement agreement was entered into, dependent on bond refunding.
- Dispose of other ancillary matters.

Mr. Miller recalled that Taylor Morrison (TM) approached the CDD about 210 acres of land that it was purchasing from the Developer. TM wanted to form a new CDD for that property and stated that the outstanding 2014-2 and 2014-4 bonds, totaling about \$12.5 million, would be paid; however, the bonds remain outstanding, which would make it difficult to obtain an S&P rating or go to market, if those bonds are not paid. In June, TM formed the Currents CDD and would issue bond anticipation notes (BANs), which would be used in part to pay off the 2014-2 and 2014-4 bonds which will release the liens.

Mr. Miller discussed the documents and actions to be taken. The figures were reviewed and confirmed by Ms. Alice Carlson, of AJC & Associates (AJC), and Mr. Bill Reagan, of FMSbonds, Inc. (FMS), and new versions of some were distributed. A few matters were still being negotiated, such as some of the terms in the Preliminary Limited Offering Memorandum

(PLOM) that he felt were not fully accurate, etc. He stressed the importance of completing the refunding by the end of October so that the November 1st interest payment is made in time and to avoid a default and not settling the interpleader litigation.

Mr. Reagan recapped the details of the refunding, including the amount being refunded, the issues with WT, payment of a portion of the November 1st bond interest payment with some of the funds from the bond refunding, the type of bonds that would be offered, refunding costs of issuance and fees, not obtaining an S&P rating due to the time constraints, the overall savings per year for the District and how that translates to individual property owners, the associated yield percentage for the three term bonds being issued and the limited time to complete the refunding. He responded to questions as follows:

- The Resolution states the 2019 bonds would not exceed \$15 million due to the lower balance and because, if it exceeds \$15 million, a public hearing would be required and there was not enough time to hold one.
- An S&P rating would not be obtained due to the time constraints. None of the \$15,000 approved for this, at the last meeting, was spent.
- An emergency meeting would likely be necessary if TM does not close on time and pay off the 2014-2 and 2014-4 bonds.
- All parties involved are incentivized to get everything completed.
- **Consideration of Release Agreement Between the District and Taylor Morrison of Florida, Inc.**

This item, previously the Eighth Order of Business, was presented out of order.

Mr. Pires discussed the Release Agreement and the Estoppel and the amounts in them.

- **Consideration of Resolution 2019-09, Concerning a Release Agreement Relating to the District's Special Assessment Revenue Bonds, Series 2014-2 Bonds and 2014-4 Bonds; Authorizing the Chairman to Sign the Release Agreement; Providing an Effective Date**
This item was an addition to the agenda.

Mr. Pires distributed several items and noted that Management would determine the Resolution numbers for this and the following two Resolutions. He presented Resolution 2019-09 and read the title. He stated that this approves the Release Agreement in the form substantially as attached as Exhibit A to the Resolution.

Mr. Klug stated that he was conflicted and had reservations about, as a fiduciary, approving things that are not fully finalized. Mr. Pires stated that all parties signed off on the contents of the TM Release Agreement. Mr. Klug withdrew his objection.

Ms. Viegas noted errors in the Release Agreement. The agreement would be approved, subject to review with Mr. Pires and corrections, as necessary.

On MOTION by Ms. DiNardo and seconded by Mr. Miller, with all in favor, the Release Agreement Between the District and Taylor Morrison of Florida, Inc., in the form substantially as attached as Exhibit A to Resolution 2019-09 and subject to review and corrections, if necessary, of any non-substantive errors identified by Ms. Viegas, was approved, and Resolution 2019-09, Concerning a Release Agreement Relating to the District's Special Assessment Revenue Bonds, Series 2014-2 Bonds and 2014-4 Bonds; Authorizing the Chairman to Sign the Release Agreement; Providing an Effective Date, was adopted.

- **Consideration of Estoppel Certificate for the Outstanding Amounts of Principal and Interest Associated with the 210 Acres of Property Extracted From the District (*to be provided under separate cover*)**

This item, previously the Ninth Order of Business, was presented out of order.

- **Consideration of Resolution 2019-10, Approving the Form of Estoppel Certificate Attached to the Release Agreement Relating to the District's Special Assessment Revenue Bonds, Series 2014-2 Bonds and 2014-4 Bonds; Authorizing the Chairman to Sign the Estoppel Certificate; Providing an Effective Date**

This item was an addition to the agenda.

Mr. Pires presented Resolution 2019-10.

On MOTION by Ms. DiNardo and seconded by Mr. Nuzzo, with all in favor, Resolution 2019-10, Approving the Form of Estoppel Certificate Attached to the Release Agreement Relating to the District's Special Assessment Revenue Bonds, Series 2014-2 Bonds and 2014-4 Bonds; Authorizing the Chairman to Sign the Estoppel Certificate; Providing an Effective Date, was adopted.

- **Consideration of Resolution 2019-11, Approving the Form of Release and Satisfaction of Lien Attached to the Release Agreement Relating to the District's Special**

Assessment Revenue Bonds, Series 2014-2 Bonds and 2014-4 Bonds; Authorizing the Chairman to Sign the Release and Satisfaction of Lien; Providing an Effective Date

This item was an addition to the agenda.

Mr. Pires presented Resolution 2019-11.

On MOTION by Ms. DiNardo and seconded by Mr. Klug, with all in favor, Resolution 2019-11, Approving the Form of Release and Satisfaction of Lien Attached to the Release Agreement Relating to the District's Special Assessment Revenue Bonds, Series 2014-2 Bonds and 2014-4 Bonds; Authorizing the Chairman to Sign the Release and Satisfaction of Lien; Providing an Effective Date, was adopted.

- **Consideration of Partial Termination of Grant of Temporary Construction and Access Easement**

This item was an addition to the agenda.

Mr. Pires presented the Partial Termination of Grant of Temporary Construction and Access Easement related to the transaction involving TM's acquisition of the property previously discussed. An existing easement is in favor of the District, which prompted the need for this Partial Termination. Counsel for TM confirmed approval of this document.

On MOTION by Mr. Klug and seconded by Ms. DiNardo, with all in favor, the Partial Termination of Grant of Temporary Construction and Access Easement and authorizing the Chair to execute, and to be delivered in escrow, was approved.

- **Consideration of Resolution 2019-07, Authorizing the Sale of Refunding Bonds for the Series 2003A Bonds (*draft documents – final documents to be provided under separate cover*)**

This item, previously the Tenth Order of Business, was presented out of order.

Ms. Cheryl O'Donnell Guth, of McGuireWoods LLP, presented Resolution 2019-07 and stated that it accomplishes the following:

- Authorizes up to \$15 million of refunding bonds, which would refund all the outstanding 2003A bonds.

- Approves the various forms of documents needed in order to issue the bonds, in each case, subject to the power of the Chair to approve any necessary amendments which would include those amendments to the PLOM that Mr. Miller discussed earlier today.
- Approves the Eleventh Supplemental Trust Indenture, which includes the form of the bonds as Exhibit A, and sets forth the terms of the bonds including the maturities, interest rates, redemption provisions, etc.
- Approves the Bond Purchase Contract between the District and FMS.
- Approves the PLOM, which is the offering document provided to potential bondholders.
- Approves the Continuing Disclosure Agreement, which the District is required to execute and deliver to the Underwriter, promising to file annual financial information and other filings, as required. It appoints Wrathell, Hunt and Associates, LLC, as the Dissemination Agent responsible for undertaking these filing requirements.
- Approves the negotiated sale to FMS and sets a maximum interest rate of 5%.
- Conditional on closing the refunding, calls the 2003A bonds for redemption.
- Provides that the various officers of the District can execute and deliver other certificates, documents, and items necessary to close the transaction.

Mr. Klug asked about the True-up section. Ms. Guth said that it was taken out because the area subject to the assessment was fully developed. Mr. Klug asked if the PLOM was still being negotiated and not in final form. Mr. Miller replied affirmatively. With regard to the PLOM, Mr. Klug asked what the Board was being asked to approve. Mr. Miller stated approval of the document in its current form, subject to amendments that he negotiates. Mr. Adams added that the PLOM sets the parameters in terms of the maximum interest rate and other items. Mr. Klug asked if other documents in the Resolution were still being negotiated. Mr. Pires stated he had minor suggested changes to his Issuer's Opinion Letter, which is typical; all documents were in substantially final form.

Ms. Viegas stated that she found several errors in the documents. Ms. Guth stated the errors should be sent to her for dissemination to the appropriate parties for revision. Ms. Viegas would review the errors with Mr. Pires and he would send them to Ms. Guth. Discussion ensued regarding the documents being in substantially final form and certain documents having provisions that allow changes, amendments, modifications, omissions and additions, as may be approved by the executing Chair or Vice Chair.

Mr. Klug asked Mr. Pires, "As the documents presently stand, from the Board's standpoint, in terms of what we are being called upon to do with respect to this Resolution, do you feel that, in totality, this transaction is sufficiently boxed in and set so that, from a fiduciary standpoint, we are not approving something open ended?"

Mr. Pires replied, "From those perspectives; absolutely correct. My opinion is that the Board is properly exercising its fiduciary responsibility."

On MOTION by Mr. Klug and seconded by Ms. DiNardo, with all in favor, Resolution 2019-07, Authorizing the Sale of Refunding Bonds for the Series 2003A Bonds, was adopted.

▪ **Consideration of Fiddler's Creek Foundation, Inc., Service Agreement – Irrigation Maintenance**

This item, previously the Seventh Order of Business, was presented out of order.

Mr. Adams stated this was discussed at a previous meeting and, as requested, it was included for the Board's information. Ms. Viegas asked for the detailed list of costs referred to in the document. Mr. Willis stated he would provide it.

On MOTION by Ms. DiNardo and seconded by Mr. Klug, with all in favor, taking the Seventh Order of Business out of order, was approved.

On MOTION by Mr. Klug and seconded by Ms. DiNardo, with all in favor, the Fiddler's Creek Foundation, Inc., Service Agreement for Irrigation Maintenance, was approved.

THIRD ORDER OF BUSINESS

Special Counsel Update

There being no Special Counsel update, the next item followed.

FOURTH ORDER OF BUSINESS

Health, Safety and Environment Report

Mr. Willis distributed and presented his PowerPoint and highlighted the following:

- Gatehouse entries averaged about 6,600 per week, totaling about 26,000 for August.

- Occupancy remained about 220 homes higher per week than last year. The 2018 per week average was 1,230 and about 1,433, year-to-date, for 2019.
- Patrol Mileage: Approximately 200 miles per day.
- Incidents: There were 131 incident reports in August, compared to 171 in July. The number of parking violations dropped.
- Pressure Cleaning: CDD #2 should be completed by the end of October.
- Nuisance Animals: Eight pythons and 524 cane toads were caught, year-to-date.

Mr. Willis presented renderings of the main gate refurbishment. Mr. Klug asked if access would be impacted during the refurbishment. Mr. Willis stated access would be discussed at a meeting this week, as there would be some partial closures.

Ms. Viegas asked about problems at the gate, as she received numerous resident complaints. Mr. Willis discussed the issues at the gates and things causing some issues, including of residents not releasing the clicker, which disrupts the signal and receiver; the button should not be held down after pushing it. The front gate has a software issue and a response from ISN of how to fix it was pending.

Resident Joe Vaccaro asked if there was a difference between the clickers and having it programmed into the vehicle. Mr. Willis stated there could be, especially with newer vehicles.

Ms. Viegas asked that the Board be informed of gate issues so Board Members are prepared when residents ask questions.

Regarding two months of invoices from AV-TECH, Mr. Willis stated that he would give them to Mrs. Adams.

FIFTH ORDER OF BUSINESS

Developer's Report/Update

Mr. Albeit stated that there were no updates.

- **Sandpiper Gatehouse Drawings**

Ms. Viegas asked about the Sandpiper Gatehouse drawings. There were no drawings for the Sandpiper Gatehouse.

SIXTH ORDER OF BUSINESS

Engineer's Report: *Hole Montes, Inc.*

Mr. Cole presented Series 2005 A/B bond Requisition #155 for \$2,434.80 for soft costs related to closing out the subdivision construction bonds for certain Phases in Veneta and Series 2015 bond Requisition #21 for \$1,840 for roadwork in Oyster Harbor. Mr. Klug asked for examples of reimbursable expenses on Requisition #155. Mr. Cole stated copies, courier, etc.

Mr. Cole reported the following:

- Water levels were receding earlier than usual. The September levels were down 7”.
- Review of the lakes for lake bank erosion would commence.
- The Engineer’s Report approved at the last meeting was being finalized and should include the revisions provided by Ms. Viegas.
- The area on US41, east of Aviamar Circle does not have the final plantings yet, which was discussed with Mr. DiNardo. Pulte wants the grass to be cut.
- During construction of homes in the areas south of the Veneta Fountain, TM severely damaged an electrical line. The District paid to relocate the line and the matter of reimbursement of the \$6,400 expense was being discussed with Mr. DiNardo and Ms. Lord.

Discussion ensued regarding TM’s not notifying the District of the damage and Mr. Cole advising TM to install LED lights.

SEVENTH ORDER OF BUSINESS

Consideration of Fiddler’s Creek Foundation, Inc., Service Agreement – Irrigation Maintenance

This item was presented following the Second Order of Business.

EIGHTH ORDER OF BUSINESS

Consideration of Release of Agreement Between the District and Taylor Morrison of Florida, Inc.

This item was presented following the Second Order of Business.

NINTH ORDER OF BUSINESS

Consideration of Estoppel Certificate for the Outstanding Amounts of Principal and Interest Associated with the 210 Acres of Property Extracted From the District (*to be provided under separate cover*)

This item was presented following the Second Order of Business.

TENTH ORDER OF BUSINESS

Consideration of Resolution 2019-07, Authorizing the Sale of Refunding Bonds for the Series 2003A Bonds (*draft documents – final documents to be provided under separate cover*)

This item was presented following the Second Order of Business.

ELEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of August 31, 2019

Mrs. Adams distributed the Financial Highlights page and presented the Unaudited Financial Statements as of August 31, 2019.

Responses to Ms. Viegas’ questions were as follows:

- Mrs. Adams believed that the District received reimbursement for the two streetlight poles that had to be replaced but she would confirm whether the funds were received.
- Mrs. Adams stated that the concrete border wall replacement panels, at the end of the Fiddler’s Creek Parkway extension adjacent to Museo, required repairs because the existing concrete was broken.

Mr. Klug asked for the Financial Highlights to be incorporated into the monthly meeting minutes as an exhibit. Mr. Adams agreed to the Financial Highlights being an Exhibit to the meeting minutes each month, going forward.

Discussion ensued regarding Property Appraiser fees, not receiving a bill last year or this year, calculating and budgeting the fees, when tax revenue is received and when the District pays the collection fees.

TWELFTH ORDER OF BUSINESS

Consideration of August 28, 2019 Public Hearing and Regular Meeting Minutes

The following changes were made:

- Line 25: Change “Developer” to “Foundation”
- Line 99: Change “Specific” to “Special”

On MOTION by Mr. Klug and seconded by Ms. DiNardo, with all in favor, the August 28, 2019 Public Hearing and Regular Meeting Minutes, as amended, were approved.

THIRTEENTH ORDER OF BUSINESS**Staff Reports****A. District Counsel: *Woodward, Pires and Lombardo, P.A.***

Mr. Pires recalled discussion at the last meeting regarding The Foundation's attempt to install a generator and the County's objection. Mr. Willis said that the County would install three permanent generators in Fiddler's Creek, at the lift stations, and would relocate the waste water line that runs down Mahogany Bend. Ms. DiNardo asked if that meant the District would not need to purchase the permanent generator discussed at the last meeting. Mr. Willis replied affirmatively. Mr. Pires stated that CDD #1 would grant the County an easement to relocate the line.

Ms. Viegas asked if the Tract E turnover agreement was executed yet. Mr. Pires replied no. Ms. Viegas asked if the letter was sent to the contractor that caused the oil spill on Sandpiper into Oyster Harbor. Mr. Pires replied no and stated that the bond refunding documents took priority.

B. District Manager: *Wrathell, Hunt and Associates, LLC*

- **NEXT MEETING DATE: October 23, 2019 at 10:00 A.M.**

The next meeting will be held October 23, 2019 at 10:00 a.m.

C. Operations Manager: *Wrathell, Hunt and Associates, LLC*

Mrs. Adams distributed her Monthly Field Operations Report and Mr. Olson's Field Operations report was included in the agenda package.

Mrs. Adams reported the following and responded to questions, as follows:

- Landscape contracts would go out to bid in October, as they expire in January 2020.
- The last mosquito spraying of the season would occur this week.

Mr. Olson reported the following:

- Parts to eliminate the need to reset the Aviamar fountain when there are power outages arrived and would be installed this week.

Discussion ensued regarding the Aviamar fountain wind sensors shutting the fountain off due to high winds, a resident complaint about the quality of the Aviamar fountain water

compared to the Oyster Harbor fountain, Mrs. Adams and Mr. Olson providing information about the fountains to Ms. DiNardo so she could respond to the resident, and replacement of a temporary pedestrian crossing street sign at Museo and Campanile.

FOURTEENTH ORDER OF BUSINESS

Supervisors' Requests

Ms. Viegas noted the many documents included in the agenda book for which multiple revised versions were emailed prior to the meeting and/or distributed at the meeting. To save Board Members' time reviewing the many versions, she asked that documents not be provided for review until truly ready and that it be clearly noted which version should and should not be reviewed. Mr. Adams stated that the advance versions are included so that Board Members are not blindsided with documents, such as the extensive bond documents, the night before a meeting; there is always a flurry of last-minute activity leading up to a bond refinancing. She also requested that, when the Board has not had sufficient time to review a document being approved, the motions state that the approval is "subject to review", as she found numerous errors in the Engineer's Report that was distributed at the last meeting. Mr. Adams stated that, in these circumstances, "subject to review", would be incorporated into future motions.

FIFTEENTH ORDER OF BUSINESS

Adjournment

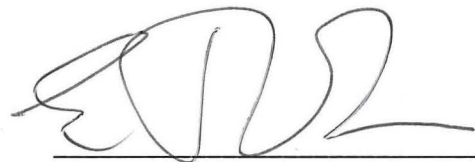
There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Klug and seconded by Ms. DiNardo, with all in favor, the meeting adjourned at 11:47 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair

EXHIBIT

**Meeting Handout
Fiddler's Creek CDD #2
Financial Highlights Report
General Fund**

Hand out

Fiddlers Creek CDD #2

Financial Highlights Report

As of 9/30/19

General Fund

Revenues

Special Assessment On-roll: At 101% Month to Date (MTD) with the majority received in December as a result of payers taking advantage of the early discount (4%).

Special Assessment Off-roll: At 92% MTD as this is the Developer who pays monthly. At the time of these financials, September payment had not yet been received.

Expenditures (through end of September is 95% is just slightly under straight proration of 100%)

Legal General: At 258% is high due to higher activity than experienced in prior years, related to Stormwater Utility Fee Argument, Boundary Adjustment, etc.

Legal Litigation: At 165% is high due to higher activity than experienced in prior years, related to lots of Depositions and ultimate settlement with US Bank case.

Engineering: At 249% is high due to higher activity than experienced in prior years.

Arbitrage Rebate Calculation: At 69% is to ensure the District's compliance with all tax regulations, annual computations are necessary to calculation the arbitrage rebate liability.

Water Management: At 98% is just slightly under straight proration of 100%.

Street Lighting/Contractual Services: At 263%, includes \$6,345.00 to complete extensive electrical repairs on Campanile Circle to the Veneta entry area - caused by Taylor Morrison in May. Staff is still waiting for reimbursement. No further updates at this time. (overall also includes two pole replacements of approximately \$10K).

Landscaping/Contingencies: At 454% is for Mosquito Control.

Access Control/Capital outlay: At 376% is high due to purchase of the LED Gate arms and the tower replacement projects. AV-TECH Capital Improvements.

Roadway Maintenance: At 183% is high due to street lamp post/signage painting projects, as well as sidewalks, curbs, gutters, roads and drainage projects, as well as a required man-hole repair project in Lagomar on \$12K as well as concrete border wall replacement panel repairs of \$3350.00 and signage repairs.

Tax Collector: At 97%, this expenditure is directly related to the cost of collecting the Districts special assessment on roll revenue. The Tax collector charges 2% of the assessment levy.

Total Expenditures: At 95% is slightly below straight line MTD proration (100%).