FIDDLER'S CREEK
COMMUNITY DEVELOPMENT DISTRICT #1

PUBLIC HEARING AND REGULAR MEETING AGENDA

October 28, 2011

Fiddler's Creek Community Development District #1

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

ATTENDEES:
Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

October 21, 2011

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

Dear Board Members:

The Board of Supervisors of the Fiddler's Creek Community Development District #1 will hold a Public Hearing and Regular Meeting on **Friday, October 28, 2011** at **8:00 a.m.,** or as soon thereafter as such matter may be heard, 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. Affidavit of Publication

3. **Public Hearing to Consider Resolutions Relative to the Adoption of Revised Supplemental Assessment Methodologies, Revised Assessment Rolls and the Imposition of Special Assessments on Certain Specifically Benefitted Lands within the District to Secure Special Assessment Revenue Bonds, Series 2002A, Series 2002B and Series 2005; Providing a Severability Clause; and Providing an Effective Date**

4. Other Business

5. Audience Comments/Supervisors' Requests

6. Adjournment

NEXT MEETING DATES:

- **November 16, 2011 at 8:00 A.M.**
- **December 14, 2011 at 8:00 A.M.** *(Joint Board Workshop followed by Regular 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

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE:

CALL IN NUMBER: 1-888-354-0094

CONFERENCE ID: 8593810

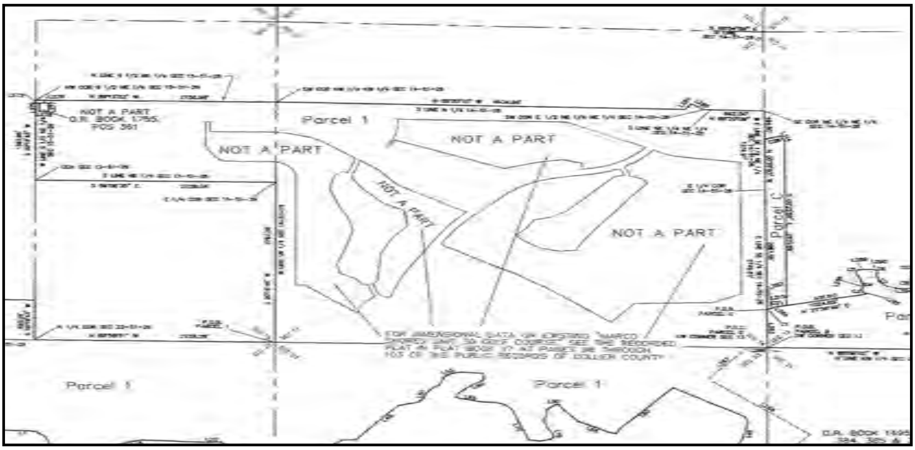
CA:dg

NOTICE OF PUBLIC HEARING

RELATING TO SPECIAL ASSESSMENTS AND PUBLIC MEETING
FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT

The Fiddler's Creek Community Development District Board of Supervisors (the "Board") will hold a public hearing at **8:00 a.m.** or as soon thereafter as such matter may be heard on **Friday, October 28, 2011 at The Fiddler's Creek Club and Spa, 3470 Club Center Drive, Naples, FL 34114**, to consider the adoption of revised supplemental assessment methodologies, revised assessment rolls, and the imposition of special assessments on certain specially benefited lands within the Fiddler's Creek Community Development District (the "District"), which special assessments secure the District's Special Assessment Revenue Bonds, Series 2002A, Series 2002B and Series 2005.

A detailed description of the properties to be assessed and the amount to be assessed to each piece or parcel of property may be ascertained at the office of the District Manager at 6131 Lyons Road, Suite 100, Coconut Creek, Florida 33073 and/or at the offices of Woodward, Pires & Lombardo, P.A., 3200 North Tamiami Trail, Suite 200, Naples, Florida 34103.



The District intends to revise assessments on certain specially benefited lands within the District in the manner and in the amounts set forth in the District's Supplemental Assessment Methodology Report, dated September 28, 2011 ("Revised Supplemental Assessment Methodology"), which is available to the public at the addresses provided above.

All affected property owners have the right to appear at the public hearing and the right to file written objections with the District at the addresses set forth above within twenty (20) days of notice of Public Hearing.

This Board meeting is open to the public. This Board meeting may be continued to a date and time certain. Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this hearing and meetings is asked to contact the District Office at (877) 276 0889 at least five (5) calendar days prior to the hearing and meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1 800 955 8770, for aid in contacting the District Office.

There may be occasions when one or more Supervisors will participate by telephone. At the above location a speaker telephone will be available so that any interested person may attend the meeting and be fully informed of the discussions taking place either in person or by telephone communication.

If anyone chooses to appeal any decision of the Board with respect to any matter considered at the hearing or at the meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the testimony and evidence upon which such appeal is to be based. The public hearing may be continued to a date and time certain that will be announced at the hearing.

Chuck Adams - District Manager
Fiddler's Creek Community Development District

No. 678170886 October 7, 21, 2011

SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT FOR FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT 1

Revised September 28, 2011

Prepared for

Board of Supervisors
Fiddler's Creek Community Development District 1

Prepared by

Fishkind & Associates, Inc.
12051 Corporate Boulevard
Orlando, Florida 32817
407-382-3256

SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT FOR FIDDLER'S CREEK COMMUNITY DEVELOMENT DISTRICT 1

1.0 Introduction

The Board of Supervisors ("Board") of the Fiddler's Creek Community Development District 1 ("District") adopted the master assessment methodology report ("Master Report") for the District at its November 27, 1996 meeting which was updated December 4, 1996 to reflect the sale of the District's Series 1996 Bonds.[1] The Master Report provided the methodology by which the District allocated debt it issued to fund infrastructure improvements that specially benefit all developable property in the District. The Master Report was supplemented in 1999, 2002, and 2005 when the District issued its Series 1999, 2002, and 2005 Bonds.[2] These supplements applied the master assessment methodology to the particular circumstances surrounding each bond issue reflecting the Developer's (951 Landholdings, LTD and affiliated companies) expected development plan and the District Engineer's updated cost estimates for the District's Capital Improvement Plan ("CIP") at those times. Over this period the Developer's development plan evolved to reflect changing market conditions, and the cost estimates for the CIP were updated all as expected under the master methodology.

On September 9, 2009 the District authorized the commencement of foreclosure proceedings against the Developer. Subsequently, the Developer filed for bankruptcy and issued its Second Amended Joint Consolidated Disclosure Statement for Plans for Reorganization of the Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code ("Plan") dated February 15, 2011. The District voted to support the proposed Plan, thereby committing itself to supplement the assessment methodology to reflect the restructuring of the Series 2002 and Series 2005 bond issues. On August 29, 2011 Judge May confirmed the Plan. This supplemental report ("Supplement") updates the allocation of debt associated with the Series 2002 and 2005 bonds in accord with the master methodology and in light of the Plan.

[1] Fishkind & Associates, Inc, "Assessment Methodology Report for Fiddler's Creek Community Development District", December 4, 1996.
[2] Fishkind & Associate, Inc., "Assessment Methodology Update Series 1999 Bonds", April 9, 1999; "Supplemental Assessment Report for the Series 2002 Bonds", February 22, 2002; and "Supplemental Assessment Report Series 2005 Bonds", November 30, 2005.

2.0 Restructured Assessments based on the Plan

2.1 Amount of Assessment to be Restructured

Based on the Plan, $34,114,175 of District's assessments associated with the Series 2002 and 2005 bonds will be restructured[3]. The amount includes: (a) the outstanding bond balance as of February 2009 when the Developer first filed for bankruptcy, (b) past due interest payments for 2009-2011, and (c) future interest payments for the balance of 2011 and for 2012. The Plan provides for level amortization of the outstanding bonds at their initial coupon rates over their initial projected terms. Table 1 provides the calculations supporting the restructured bond assessment amount of $34,114,175.

Table 1. District Bond Assessments Restructured

Series 2002A	*2009*	*2010*	*2011*	*2012*
Beginning	$9,365,000	$10,008,844	$10,652,688	$11,296,531
Interest	$643,844	$643,844	$643,844	$643,844
Ending	$10,008,844	$10,652,688	$11,296,531	$11,940,375
Coupon	6.88%			
Series 2002B	2009	2010	2011	2012
Beginning	$4,920,000	$5,245,950	$5,571,900	$5,897,850
Interest	$325,950	$325,950	$325,950	$325,950
Ending	$5,245,950	$5,571,900	$5,897,850	$6,223,800
Coupon	6.63%			
Series 2005	2009	2010	2011	2012
Beginning	$18,095,000	$19,180,700	$14,766,400	$15,652,384
Interest	$1,085,700	$1,085,700	$885,984	$939,143
Principal	$230,000	$0	$0	$0
Bonds Called	$0	$5,500,000	$0	$0
Ending	$19,410,700	$14,766,400	$15,652,384	$15,950,000
Coupon	6.00%			
				========
Total District Bonds				$34,114,175

[3] The Plan dated February 15, 2011 indicates that $34,095,000 of bonds will be restructured. This was based in part on incorrect information provided by the District. This error has subsequently been corrected by the District in its corrected proof of claim.

2.2 Debt Allocation

Based on the District's proof of claim and the Developer's land plan, Table 2 presents the allocation of the restructured assessments to the unplatted acreage remaining in the District. Until plats are processed the District allocates debt on an equal basis per net acre.

Table 2. Debt Allocation for Restructured Assessments Bonds

Parcel	*Unplatted Properties*	*Net Acreage*	*Par Debt*
6	Parcel 6	18.67	$2,907,210
32	Parcel 32	9.24	$1,438,812
37	Parcel 37	12.12	$1,887,273
36	Parcel 36	13.90	$2,164,447
40	Parcel 40	12.79	$1,991,603
41	Parcel 41	14.80	$2,304,591
42	Parcel 42	8.70	$1,354,726
43	Parcel 43	7.89	$1,228,596
39	Parcel 39	10.13	$1,577,399
101	Parcel 101	10.13	$1,577,399
102	Parcel 102	10.13	$1,577,399
107	Parcel 107	9.30	$1,448,155
106	Parcel 106	14.10	$2,195,590
105	Parcel 105	9.90	$1,541,585
104	Parcel 104	11.06	$1,722,215
103	Parcel 103	14.30	$2,226,733
	Retail 951	31.92	$4,970,442
		=======	=========
Totals		219.08	$34,114,175

2.3 True Up Analysis

The assessment methodology provides for a true up test to preclude the build-up of debt on unplatted land in the District. Initially, the District based its true up test on: (1) an estimate for the total amount of debt needed to fund the CIP and (2) the total gross acres contained in the District. The resulted in a ceiling level of debt of $66,916 per gross acre that was not to be exceeded on unplatted property in the District. In 2002 the District adjusted the estimate for the remaining CIP downward and shifted to a net acre basis for the true up test. This resulted in a ceiling level of $172,702 per net acre.

Now the District is anticipating restructuring $34,114,175 in assessments to accommodate the Plan. The remaining net acres to be developed total 219.08. This results in a new ceiling amount of $158,089 per net acre as shown in Table 3, which will be used for the true up test on a going-forward basis. Since the proposed debt per net acre is lower than the ceiling level, no true up payment or further analysis is necessary at this time.

Table 3. Calculation of the Ceiling Amount of Debt for The True Up Test

Category	*Amounts*
Total District Assessments Restructured	$34,114,175
Net Acres Remaining	219.08
	=======
Debt/Net Acre	$155,716

2.4 Analysis of Liens

Following the process laid out in Chapter 170, F.S. the District established the liens for its bonds at $66,916 per gross acre as shown in Table 4. The District anticipated issuing a maximum of $93,000,000 in bonds across its 1,390 gross acres producing the lien per gross acre of $66,916.

Table 4. Analysis of Initial Lien and Proposed Lien Per Net Acre

Category	*Amount*
Estimated Debt 1996	$93,000,000
Gross Acres	1,390
Debt/Gross Acre	$66,916
Net Residential Acres	541.78
Net Commercial Acres	33.62
	=======
Total Net Acres 1996	575.40
Gross to Net Acres	2.42
Debt/Net Acre 1996	$161,627

The proposed Plan would result in an assessment debt of $155,716 per net acre. Therefore, we must adjust the initial lien to a net acre amount to make a comparable analysis of the amount of lien the District initially established on a net acreage basis.

According to the District Engineer's Report contained in the offering statement ("OS") for the Series 1996 Bonds the District planned to construct the residential products on 541.78 acres and the commercial products on 33.62 acres for a total of 575.40 net acres. This represents a ratio of 2.42 gross-to-net acres. Using this ratio of gross-to-net acres to adjust the original lien of $66,916 per gross acre produces an equivalent debt per net acre of $161,627. Since the initial lien imposed in 1996 on a net acre basis is higher than the lien per net acre in the Plan, the Plan is consistent with the District's 1996 assessment liens and assessment process.

2.5 Analysis of Special Benefit

Legal assessments in Florida must satisfy two basic principles.

(1) The assessments must confer a special benefit on the properties to be assessed.

(2) The assessments must be allocated to benefiting properties on an equitable basis consistent with the benefits they receive.

In this section of the report the special benefits are analyzed. Section 3 provides the allocation analysis consistent with the master assessment methodology.

As discussed in the master methodology report, the improvements undertaken by the District create both: (1) special benefits to properties within its borders and (2) general benefits to properties outside the District. However, as discussed below, these general benefits are incidental in nature and are readily distinguishable from the special benefits which accrue to property within the District.

The infrastructure program of the District enables properties within its boundaries to be developed. Without the District's capital improvement program (CIP) there would be no infrastructure to support development of land in the District. Furthermore, the development order for Fiddler's Creek requires many of these improvements. Without these improvements development of property in the District would be prohibited by law.

There is no doubt that the general public, and property owners outside the District, will benefit from the provision of District infrastructure. However, these are incidental to the District's infrastructure program, which is designed solely to meet the needs of property within the District. Properties outside the District do not depend upon the District's improvement program to obtain, or to maintain, their development entitlements. This fact alone clearly distinguishes the special benefits which District properties receive compared to those lying outside of the District's boundaries, which may be expanded from time to time.

Florida case law recognizes three types of special benefits: (1) increase in marketability or in market value, (2) reduced insurance premiums, or (3) added use and enjoyment. In this case the value of the special benefits provided by the District's improvement program is far greater than the costs associated with providing these same benefits. The Plan anticipates restructured total assessment debt of $34,114,175 or $155,716 per net developable acre. Without the improvements funded by the bonds the property would be worth no more than $25,000-to-$30,000 per acre as entitled agricultural lands, because there would be no ability to develop the property and no infrastructure to support development.

Even during the pendency of the bankruptcy process, the Developer has a contract with DR Horton for the purchase of 50-foot wide improved lots priced at $100,000 per lot. In addition, Horton has agreed to accept bond debt with a value in excess of $60,000 per lot. Thus, the effective price Horton agreed to pay is over $160,000 per lot. Since the density is over 2 lots per net acre, Horton is effectively paying over $320,000 per net acre. This alone demonstrates that the proposed debt levels satisfy the special benefit test by virtue of the improvements funded by the bonds increased the value of the property by more than the amount of debt imposed.

Considering that this transaction was consummated while Fiddler's Creek was still involved in the bankruptcy, this transaction clearly demonstrates the value of the special benefits created by the Plan. Coming out of the bankruptcy, there is every reason to believe that even higher prices for its land will be achieved. In fact, this is exactly what the Plan anticipates. Finally, the Financial Advisor testified in the Bankruptcy proceedings that it was his opinion that the values in the Developer's Plan were realistic.

3.0 Allocation of Debt Using the Assessment Methodology

3.1 Assessment Methodology

The assessment methodology established by the District is a process by which the District allocates debt to benefitting properties. Prior to a final platting of properties, the precise land uses cannot be determined. Therefore, the District allocates debt to all developable acres in the District (net acres) on an equal pro rata basis. As platting occurs, the District can refine the debt per net acre to a debt based on the specific land use shown in the plat. The amount of debt allocated to each land use depends upon the number of trips the land use will generate on the

District's roads and the value of other infrastructure needed to support that land use measured in terms of equivalent units ("EU").

3.2 Updated Development Plan for Fiddler's Creek

The Developer has updated the development plan for their unplatted property in Fiddler's Creek. Table 5 presents the updated development plan. The plan is subject to change and therefore the actual assessment amounts shown in this report are illustrative. If this land use plan were developed without change, then the allocations provided herein would be correct without need for future updates (which is unlikely).

Table 5. Developer's Land Use Plan for the Balance of Developable Land in the District

Land Plan	*Units*
Single-family	
50' wide lots	114
65' wide lots	252
80' wide lots	90
100' wide lots	41
Commercial (sf)	265,000

3.3 Analysis of Restructured Assessments for Roads and Other Uses

The District's original estimates for the CIP indicated that 13.53% of the CIP was for roads and the balance for other infrastructure, as shown in Table 6. Since there is no data for the composition of the CIP remaining for the Plan and since the infrastructure has been installed for the District's portion of the improvements, it is reasonable to assume that these same percentages apply to the debt to be allocated in this supplement.

Table 6. Analysis of District's Restructured Assessments by Component

Category	*Total Amount*	*Percent*	*Plan*
Roads	$8,847,000	13.53%	$4,616,144
Other	$56,534,000	86.47%	$29,498,031
	=========	=========	=========
Total	$65,381,000	100.00%	$34,114,175

Therefore, $4,616,144 of debt will be allocated for roadway costs using trips to allocate the costs to benefiting properties and the balance will be allocated using the EU method to the benefiting properties.

3.4 Allocation of Roadway Costs

The District's methodology allocates roadway costs to benefitting properties based upon the volume of trips that they generate. Trip rates are derived from the Institute of Transportation Engineer's "Trip Generation", 7th edition which is widely viewed as authoritative on trip rates. One adjustment was made. The commercial trip rate was reduced by 50% to reflect the fact that at least half of its trips would be generated from residences in the District. Without this adjustment trips would be double counted to the commercial property.

Table 7. Allocation of Roadway Costs

Land Plan	*Units*	*Trip Rate*	*Total Trips*	*% Trips*	*Par*
Single-family					
50' wide lots	114	9.57	1,091	10.44%	$482,117
65' wide lots	252	9.57	2,412	23.09%	$1,065,733
80' wide lots	90	9.57	861	8.25%	$380,619
100' wide lots	41	9.57	392	3.76%	$173,393
Commercial (sf)	265,000	21.47	5,690	54.47%	$2,514,281
			=========	=========	=========
Totals			10,446	100.00%	$4,616,144

3.5 Allocation of Other Costs

The District's assessment methodology allocates the costs for all other components of the CIP based on an equivalent unit method. The standard unit is a 50-foot wide residential lot. All other residential units are scaled relative to their widths. These roughly correspond to the size of the lots and to the relative benefits that each receives from the non-roadway portion of the CIP.

The EU rate for commercial property is set at 0.5 per square foot. This reflects the fact that the commercial properties provide most of their own drainage and mitigation for their development on site. Therefore, they do not rely on these expensive District facilities.

Table 8. Allocation of Other Costs

Land Plan	*Units*	*ERU/Unit*	*Total ERU*	*% ERU*	*Par*
Single-family					
50' wide lots	114	1.00	114.00	14.25%	$4,202,944
65' wide lots	252	1.30	327.60	40.94%	$12,077,934
80' wide lots	90	1.60	144.00	18.00%	$5,308,982
100' wide lots	41	2.00	82.00	10.25%	$3,023,170
Commercial (sf)	265,000	0.50	132.50	16.56%	$4,885,001
			=========	=========	=========
Totals			800.10	100.00%	$29,498,031

3.6 Total Allocation of Costs of the Plan

Table 9 summarizes the total allocation of cost to benefitting properties in the District. The debt or par per unit is consistent with the Plan. Unless or until the land use plan changes for the District, the costs per unit shown in Table 9 would be allocable to properties when they receive their final plats. The total amounts per unit in Table 9 are consistent with the Plan.

Table 9. Allocation of Total Plan Costs

Land Plan	*Units*	*Par*	*Par/Unit*
Single-family			
50' wide lots	114	$4,685,061	$41,097
65' wide lots	252	$13,143,667	$52,157
80' wide lots	90	$5,689,601	$63,218
100' wide lots	41	$3,196,563	$77,965
Commercial (sf)	265,000	$7,399,282	$28
		=========	
Total		$34,114,175	

3.7 Order of Allocation of Lien by Bond Series

As noted above, until such time as a plat is filed benefiting properties are allocated debt on a net acre basis. As plats are processed the District refines the allocation of debt from a per net acre basis to a per land use basis according to Table 9. In addition, the debt on each plat is assigned to the District's various bond issues in series order starting with the Series 2002 Bonds. When the entire lien of the Series 2002 Bonds is assigned to platted properties, then the lien from additional plats is assigned to the Series 2005 Bonds.

4.0 Tax Roll

Table 10 presents the tax roll showing the annual assessment payments needed to amortize the restructured bond assessments with a par value of $34,114,175 as per the Plan.

Table 10. Tax Roll

Parcel	*Par Debt*	*Annual Payment*	*Administrative Charges*	*Total Annual Payment*
6	$2,907,210	$255,995	$20,480	$276,475
32	$1,438,812	$126,695	$10,136	$136,831
37	$1,887,273	$166,184	$13,295	$179,479
36	$2,164,447	$190,591	$15,247	$205,838
40	$1,991,603	$175,371	$14,030	$189,401
41	$2,304,591	$202,931	$16,235	$219,166
42	$1,354,726	$119,291	$9,543	$128,834
43	$1,228,596	$108,184	$8,655	$116,839
39	$1,577,399	$138,898	$11,112	$150,010
101	$1,577,399	$138,898	$11,112	$150,010
102	$1,577,399	$138,898	$11,112	$150,010
107	$1,448,155	$127,518	$10,201	$137,719
106	$2,195,590	$193,333	$15,467	$208,800
105	$1,541,585	$135,745	$10,860	$146,604
104	$1,722,215	$151,650	$12,132	$163,782
103	$2,226,733	$196,076	$15,686	$211,762
Retail 951	$4,970,442	$437,674	$35,014	$472,688
	=========	=========	=========	=========
Totals	$34,114,175	$3,003,934	$240,315	$3,244,249