

MINUTES
BOND COUNSEL, FINANCIAL ADVISOR, AUDITOR AND UNDERWRITER REVIEW
COMMITTEE MEETING
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
February 7, 2006

The Bond Counsel, Financial Advisor, Auditor and Underwriter Review Committee met on February 7, 2006 in the Northern Administrative Complex, 357 Hiatt Drive, Palm Beach Gardens, Florida. Chairperson Marilyn Lew-Jacobs called the meeting to order at 8:30 a.m.

1. ROLL CALL

The full membership of the Committee, comprised of Board Supervisors Marilyn Lew-Jacobs and Deborah Diaz, was present.

Also present were Executive Director O'Neal Bardin, Jr.; Deputy Directors Tanya W. Quickel and C. Danvers Beatty; Executive Assistant Susan Scheff; Finance Director Katie Brunk; General Counsel Kenneth Edwards; Financial Advisor Clark Bennett; Bond Counsel Mark Raymond; District Auditor Chuck Haas; Donald Barnes of Toll Brothers, Ramiro Albarran of Banc of America Securities, LLC; and Steve Eaddy of M.R. Beal & Company.

2. QUORUM

Ms. Lew-Jacobs announced that a quorum was present and that it was in order to consider any business to come before the Committee.

3. ADDITIONS OR DELETIONS

Mr. Bardin reported that there were no additions or deletions to the agenda.

4. APPROVAL OF MINUTES – JUNE 14, 2004 AND FEBRUARY 22, 2005

A motion was made by Ms. Diaz, seconded by Ms. Lew-Jacobs and unanimously passed approving the June 14, 2004 and February 22, 2005 Committee meeting minutes as presented.

5. REGULAR AGENDA

- **Consider Underwriter Rotation Update**

Mr. Bardin presented the Underwriters Rotation Chart.

Ms. Lew-Jacobs made note that M.R. Beal and Raymond James have been the only underwriters showing interest in Northern's bond issues.

- **Review Bond Refunding Criteria**

As Ms. Diaz is a new Board member and new to this Committee, the Bond Refunding Criteria was reviewed and presented as follows:

Board Approved Refunding Criteria. Proposed refundings are subject to the following criteria established by the Board for use by the Staff and Consultants in evaluating proposed any bond refunding:

- A. For Advanced Refunding(s) or Non-Callable Refunding Bond(s): The threshold will be minimum savings of 3% of Principal of the Refunded Bond(s) using the yield on the Refunding Bond(s) as the Discount Rate.
- B. For All Other Refunding(s): The proposed refunding will be presented to the Committee for consideration.

- **Consider Unit No. 46 Underwriter Appointment**

Mr. Bardin presented a letter from Toll Brothers, Inc., the developer for Unit 46, requesting Bank of America be designated as the Underwriter for the project. Northern Staff and Consultants

have worked with the Unit 46 Jupiter Country Club Developer to recommend funding of the Plan of Improvements through issuance of Series “A” and “B” Bonds in accordance with Chapters 298 and Chapter 170, Florida Statutes, respectively.

The Series “A” Bond is anticipated to be a typical twenty or thirty year bond in the amount of approximately \$11 million with capitalized interest for the first eighteen months. The Series “B” Bond is anticipated to be short term (three to four year term) in the estimated amount of \$3.2 million with payoff through partial payments collected at the time of each individual lot closing. The Series “B” Bonds are commonly referred to as “due on sale” bonds that require the Developer to pay down these Bonds with each individual closing. Assessments would be recalculated upon sale of all property within each platted pod to “true up” the outstanding balance and assessment calculation.

Mr. Albarran of Banc of America Securities made a brief presentation. He explained that Banc of America was involved in 3 billion in projects in 2006 and has a very familiar relationship with Toll Brothers.

Ms. Lew-Jacobs expressed her concern that Banc of America has never shown any prior interest in Northern projects.

Ms. Diaz asked Clark Bennett and Mark Raymond what their roles are in the bond funding process. A general discussion of Northern’s bond process and some historical background followed.

Mr. Bennett noted that, in his opinion, Bank of America has the most experience in the issuance of Series B bonds. Additional discussion regarding new financing and the status of the market followed.

Mr. Bardin discussed that concerning this project, we now have established a partnership with Toll Brothers and that Toll Brothers has an established relationship with Bank of America.

Mr. Bennett stated his recommendation once more that Bank of America has the most experience with Series B Bond transactions.

Recommendation. The Underwriters Committee requests the Board approve their recommendation to designate Bank of America as the Underwriter for the Unit 46 Jupiter Country Club bond issuance.

- **Consider Potential Unit No. 53 Highland Dunes**

Mr. Bardin presented information on a potential new unit of development. Northern Staff and Consultants have met with representatives from Lennar and Kenco Communities regarding Highland Dunes, a proposed new development on Southern Boulevard near Lion Country Safari. The development consists of 1,210 acres with 2,000 single family units planned as well as commercial, recreation and school sites. There is no golf course. The Developers have requested Northern consider issuance of Series “A” and “B” Bonds in accordance with Chapters 298 and Chapter 170, Florida Statutes, respectively, to fund improvements which may include stormwater drainage, flow ways, water and wastewater improvements.

Discussions have focused on providing financing with Series “A” Bonds sized at approximately \$25 million and one Series “B” bond estimated to be approximately \$30 million. The Series “A” Bonds are anticipated to be typical twenty or thirty year bonds issued in staggered terms for on-site improvements. The Series “B” Bond may fund off-site improvements, expansion of Southern Boulevard from Forest Hill Boulevard to Seminole-Pratt Whitney Road. The Series “B” Bonds are commonly referred to as “due on sale” bonds that require the Developer to pay down these Bonds with each individual sale. Assessments would be recalculated upon sale of all property within each platted pod to “true up” the outstanding balance and assessment calculation.

This update was provided for information only. No Board action is required. The Landowner is considering filing a Petition to Form a Unit of Development with the required \$2,500 deposit at the February 22, 2006 Board meeting.

6. MISCELLANEOUS

There were no miscellaneous items.

7. COMMENTS FROM THE COMMITTEE MEMBERS

There were no further comments from the Committee members.

8. ADJOURN

There being no further business to come before the Bond Counsel, Financial Advisor, Auditor and Underwriter Review Committee, the discussion ended.