

SUPPLEMENT TO PRELIMINARY OFFICIAL STATEMENT

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

**Water Control and Improvement Bonds,
Unit of Development No. 2C, Series 2014**

The Preliminary Official Statement ("POS"), dated October 20, 2014, for the Northern Palm Beach County Improvement District Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2014, is amended and supplemented as follows:

1. The third paragraph under the caption "The Development-Alton and the Plan of Development--Commercial Land Uses" (page 41 of the POS) refers to a pending contract for Kolter to sell five acres of Tract B-1 to a third party for \$5,750,000. The contract purchaser of the referenced acreage has terminated the contract.

2. The table on page 35 of the POS is modified to correct the estimated debt service per acreage for Tracts F and GH. The revised table is set forth below:

<u>Tract Designation</u>	<u>Expected Land Use</u>	<u>Expected Acres of Assessable Real Property</u>	<u>Current Owner</u>	<u>Development Plan of Owner</u>	<u>Value/Price Information</u>	<u>Series 2014 Debt Service per Acre</u>
Tract A	1.6mm SF Biotech	59.57 acres	Palm Beach County	Unknown	See "Appraisals"	\$8,354
Tract B-1	1mm SF Biotech	32.50 acres	Kolter	Sell land	See "Appraisals"	9,064
Tract B-2	1.2mm SF Office	40.53 acres	Kolter	Sell land		9,553
Tract B-3	300 room Hotel	2.00 acres	Kolter	Sell or build		26,497
Tract C-1(a)	217 units Single Family-Res.	44.94 acres	Kolter	Develop/Build		7,696
Tract C-1(b)	143 units Townhome-Res.	12.06 acres	Kolter	Develop/Build		9,280
Tract C-2	375 unit Apartment	13.00 acres	Villas at Briger LLC	Build	\$13,525,000 sale price	7,082
Tract C-3	450,000 SF Commercial/Retail	40.67 acres	Kolter	Sell land/under contract	see "Commercial Land Uses" below	7,229
Tract D	123 units Single Family-Res.	25.26 acres	Kolter	Sell/ Develop/Build		7,396
Tract E	191 units Single Family-Res.	43.00 acres	Kolter	Sell/ Develop/Build		7,391
Tract F	215 units Townhome-Res.	24.06 acres	Kolter	Sell/ Develop/Build		10,903
Tract GH	336 units Single Family-Res.	117.00 acres	Kolter	Sell/ Develop/Build		7,266

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FMSbonds, Inc.

The date of this Supplement to Preliminary Official Statement is October 21, 2014.

**NEW ISSUE
BOOK-ENTRY ONLY**

UNRATED

In the opinion of Bond Counsel, under existing law, and assuming continuing compliance with the tax covenants described herein, interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See, however, "Tax Exemption" herein for a description of certain taxes on corporations and for a discussion of certain other tax consequences to Owners of the Series 2014 Bonds.



NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
\$55,875,000* Water Control and Improvement Bonds,
Unit of Development No. 2C, Series 2014

DATED: Date of Delivery

DUE: August 1, as shown on the inside cover

The Series 2014 Bonds are being issued as fully registered bonds without coupons and will be initially issued to and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC") of New York, New York, which will act as securities depository for the Series 2014 Bonds. The Series 2014 Bonds are being issued in principal denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof, under the book-entry system maintained by DTC through brokers and dealers who are or act through DTC Participants. In the initial offering the Series 2014 Bonds will be delivered to the initial purchasers only in aggregate principal amounts of at least \$100,000. Purchasers of beneficial interests in the Series 2014 Bonds will not receive physical delivery of the Series 2014 Bonds, but will be Beneficial Owners (and not registered owners) of the Series 2014 Bonds. For so long as any purchaser is the Beneficial Owner of a Series 2014 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Series 2014 Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2014 Bonds will be dated the date of their initial issuance, will bear interest from that date, payable on February 1 and August 1 of each year, commencing February 1, 2015, at the rates (calculated on the basis of a 360-day year consisting of twelve 30-day months) and, subject to the redemption provisions described herein, will mature on the dates and in the amounts set forth on the inside cover hereof. The Series 2014 Bonds are subject to optional, extraordinary optional and mandatory redemption prior to maturity as described herein.

The Series 2014 Bonds are being issued by Northern Palm Beach County Improvement District (the "District"). The District is a water control district, which is an independent special district of the State of Florida. The Series 2014 Bonds are being issued pursuant to the authority of the applicable provisions of Chapter 298, Florida Statutes, Chapter 2000-467, Laws of Florida, as amended, and other applicable provisions of law, and a resolution adopted by the Board of Supervisors of the District on March 26, 2014, as supplemented (the "Resolution").

The Series 2014 Bonds are being issued for the primary purposes of providing funds to (i) pay the cost of certain Improvements (described herein) with respect to Unit of Development No. 2C of the District, (ii) pay the costs of issuing the Series 2014 Bonds and (iii) make deposits to certain accounts in the Bond Fund and Reserve Fund for the Series 2014 Bonds.

THE SERIES 2014 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT. THE PRINCIPAL OF AND INTEREST ON THE SERIES 2014 BONDS ARE PAYABLE SOLELY FROM AND ARE SECURED EQUALLY AND RATABLY BY A LIEN UPON AND PLEDGE OF THE PROCEEDS OF SPECIAL ASSESSMENTS, REFERRED TO HEREIN AS "DRAINAGE TAXES," LEVIED BY THE DISTRICT AGAINST THE ASSESSABLE REAL PROPERTY IN UNIT OF DEVELOPMENT NO. 2C OF THE DISTRICT, AND THE AMOUNTS ON DEPOSIT IN CERTAIN FUNDS AND ACCOUNTS CREATED PURSUANT TO THE RESOLUTION.

THERE ARE RISKS INHERENT IN AN INVESTMENT IN THE SERIES 2014 BONDS. THE SERIES 2014 BONDS MAY NOT BE AN APPROPRIATE INVESTMENT FOR ALL POTENTIAL INVESTORS. SEE "OWNERS' RISKS" AND "SECURITY FOR THE SERIES 2014 BONDS" HEREIN FOR A SUMMARY OF CERTAIN OF THESE RISKS.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2014 Bonds are offered when, as and if issued and received by the Underwriters, subject to approval of legality and tax-exempt status by Mark E. Raymond, Esq., Palm Beach Gardens, Florida, Bond Counsel. Certain other legal matters will be passed upon for the District by its Counsel, Caldwell Pacetti Edwards Schoech & Viator LLP, West Palm Beach, Florida. The Underwriters are represented by Greenberg Traurig, P.A., Orlando, Florida. It is expected that the Series 2014 Bonds will be available for delivery through the facilities of DTC on or about November __, 2014.

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FMSbonds, Inc.

The date of this Official Statement is _____, 2014.

* Preliminary, subject to change.

This Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

AMOUNTS, MATURITIES, INTEREST RATES, PRICES, YIELDS AND CUSIP NUMBERS*

\$55,875,000* SERIES 2014 BONDS

\$ _____ . ____ % Term Bonds due August 1, 20__ Price ____ % Yield** _____ % Cusip No. 665588 __

\$ _____ . ____ % Term Bonds due August 1, 20__ Price ____ % Yield** _____ % Cusip No. 665588 __

\$ _____ . ____ % Term Bonds due August 1, 20__ Price ____ % Yield** _____ % Cusip No. 665588 __

^{_____}
*Preliminary, subject to change

** Yields are the yields to the optional call date that produces the lowest yield.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

359 Hiatt Drive
Palm Beach Gardens, Florida 33418
(561) 624-7830

BOARD OF SUPERVISORS

Adrian M. Salee, President
Matthew J. Boykin, Vice President
L. Marc Cohn, Secretary
Garo Artinian, Treasurer
John Cohen, Supervisor

EXECUTIVE DIRECTOR

O'Neal Bardin, Jr.

COUNSEL TO THE DISTRICT

Caldwell Pacetti Edwards Schoech & Viator LLP
West Palm Beach, Florida

BOND COUNSEL

Mark E. Raymond, Esq.
Palm Beach Gardens, Florida

FINANCIAL ADVISOR

Spectrum Municipal Services, Inc.
Palm Beach Gardens, Florida

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2014 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE DISTRICT AND OBTAINED FROM OTHER SOURCES, INCLUDING KH ALTON LLC, WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IT IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITERS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR OTHER MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF.

THE SERIES 2014 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2014 BONDS UNDER THE SECURITIES LAWS OF THE JURISDICTIONS IN WHICH THEY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE JURISDICTIONS OR THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2014 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHER WORDS OF SIMILAR IMPORT. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS, FINANCIAL CONDITION OF THE DISTRICT, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S CONTROL. BECAUSE THE DISTRICT CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN "DEEMED FINAL" BY THE DISTRICT FOR PURPOSES OF RULE 15c2-12 (THE "RULE") OF THE SECURITIES AND EXCHANGE COMMISSION, EXCEPT FOR CERTAIN "PERMITTED OMISSIONS" WITHIN THE MEANING OF THE RULE.

TABLE OF CONTENTS

This table of contents is for convenience of reference only and is not intended to define, limit or describe the scope or content of any provisions of this Official Statement.

	<u>Page</u>
INTRODUCTION.	1
THE SERIES 2014 BONDS.	3
General Description.	3
Redemption Provisions.	3
Registration, Transfer and Exchange.	5
BOOK-ENTRY ONLY SYSTEM.	5
SECURITY FOR THE SERIES 2014 BONDS.	7
General.	7
Assessment of Benefits and Levy of Drainage Taxes.	8
Method of Apportionment of Drainage Taxes.	12
Tax Collection Procedures.	19
Projected Tax and Assessment Information for Unit 2C.	23
Data Related to Assessed Value of Land in Unit 2C.	25
Reserve Fund for Series 2014 Bonds.	26
Additional Bonds.	26
THE DISTRICT.	26
General.	26
Governance.	27
Administration.	27
Improvement Projects.	27
Prior and Future Financings.	28
UNIT OF DEVELOPMENT NO. 2C AND THE PROJECT.	29
General.	29
The Improvements.	29
Sources and Uses of Funds.	32
THE DEVELOPMENT.	32
Distinction Between the Project and Alton.	32
Kolter.	33
Alton and the Plan of Development.	34
SCRIPPS FLORIDA	42
APPRAISALS.	43
OWNERS' RISKS.	43
SCHEDULE OF DEBT SERVICE REQUIREMENTS.	48
REMEDIES IN THE EVENT OF DEFAULT.	48
LEGAL MATTERS.	49
LITIGATION.	49
VALIDATION.	52
TAX EXEMPTION.	52
LACK OF BOND RATINGS.	54
CONTINUING DISCLOSURE.	54
FINANCIAL STATEMENTS.	56
FINANCIAL ADVISOR.	57
UNDERWRITING.	57
AUTHORIZATION AND APPROVAL.	57
APPENDIX A — Form of the Resolution	
APPENDIX B — Plan of Improvements	
APPENDIX C — Maps and Renderings	
APPENDIX D — Report of Engineer	
APPENDIX E — Audited Financial Report of the District for the Fiscal Year Ended September 30, 2013	
APPENDIX F — Form of Bond Counsel Opinion	
APPENDIX G — Form of Kolter Continuing Disclosure Agreement	
APPENDIX H — Tract A Appraisal	
APPENDIX I — Tract B Appraisal	
APPENDIX J — Forms of Litigation Opinions	

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OFFICIAL STATEMENT

Relating To

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$55,875,000* Water Control and Improvement Bonds,
Unit of Development No. 2C, Series 2014

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices hereto, is to furnish information with respect to Northern Palm Beach County Improvement District (the "District") and the original issuance and sale of the District's Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2014 in the principal amount of \$55,875,000* (the "Series 2014 Bonds").

THE PROSPECTIVE INVESTOR SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY ONE OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL AND/OR INTEREST ON THE SERIES 2014 BONDS. SEE "OWNERS' RISKS," "SECURITY FOR THE SERIES 2014 BONDS" AND "LITIGATION" HEREIN FOR A SUMMARY OF CERTAIN OF THESE RISKS.

The Series 2014 Bonds are being issued pursuant to the authority of Chapter 2000-467, Laws of Florida, as amended, the applicable provisions of Chapter 298, Florida Statutes, and other applicable provisions of law (collectively, the "Act") and Resolution No. 2014-04 adopted by the Board of Supervisors (the "Board") of the District on March 26, 2014, as supplemented (the "Resolution"). The form of the adopted Resolution is contained in Appendix A hereto.

The Series 2014 Bonds are being issued for the primary purposes of providing funds to (i) pay the cost of a portion of the improvements (the "Improvements") described in the Plan of Improvements (hereinafter described) with respect to a geographical area of the District known as Unit of Development No. 2C ("Unit 2C"), (ii) pay the costs of issuing the Series 2014 Bonds and (iii) make deposits to certain accounts in the Bond Fund (to pay capitalized interest) and Reserve Fund for the Series 2014 Bonds. The Plan of Improvements is reproduced in Appendix B hereto.

Unit 2C consists of approximately 681.69 acres of land located in northeastern Palm Beach County, Florida, within the City of Palm Beach Gardens, Florida (the "City"). Maps and renderings that contain further information regarding the location of Unit 2C are included in Appendix C.

A portion of the land in Unit 2C comprising approximately 606.69 acres is being developed as a mixed use planned development known as "Alton." Alton is planned to eventually include industrial, research and development, biotech, retail, office, hotel, apartment and residential uses. The developer of Alton is KH Alton LLC, although various special purpose entities ("SPE's"), which are all under 100% common control along with KH Alton LLC, own portions of the land in Unit 2C along with land owned by KH Alton LLC (for convenience purposes only, these entities are interchangeably referred to herein, collectively, jointly and/or severally, as "Kolter"). Substantially all of the land in Alton is owned by Kolter, although Kolter has sold 13 acres to a buyer that is not related to Kolter. See "The Development" herein for further information.

Another portion of the land in Unit 2C comprising approximately 70 acres (sometimes referred to herein as "Tract A") is owned by Palm Beach County, Florida (the "County"). The County has leased this land to The Scripps Research Institute ("Scripps") as part of a plan by the County to attract and expand research and development activities in the County. The intent of the lease, and an associated grant agreement

*Preliminary, subject to change.

under which the County has given approximately \$189,000,000 to Scripps, is that Tract A will be developed as a research and development/biotech park which is referred to herein as "Scripps Florida." The land that the County owns in Unit 2C is subject to the Drainage Taxes to the same extent as private landowners. Neither Scripps nor the County has participated in the preparation of or approved the content of this Official Statement. See "Scripps Florida" herein for further information.

The remaining five acres of land in Unit 2C are owned by Florida Power & Light Company ("FPL") and are expected to house a power substation.

Neither Kolter, the County, FPL nor any other owner of land in Unit 2C is obligated to pay debt service on the Series 2014 Bonds. However, the land in Unit 2C may be subject to the Drainage Taxes (hereinafter defined) that are the source of funds for the payment of principal and interest on the Series 2014 Bonds as described herein. See "Owners' Risks-Drainage Taxes are Non-Recourse."

Implementation of the Plan of Improvements for Unit 2C (the "Project") will provide (i) roadways and related improvements including irrigation systems and lighting, (ii) pedestrian paths including lighting, (iii) potable water distribution and wastewater collection facilities, (iv) surface water management system including lakes, (v) environmental preserves, (vi) perimeter buffer walls and (vii) associated landscaping to serve the land in Unit 2C. Proceeds of the Series 2014 Bonds will be used to finance a portion of the cost of the Project, and the remaining cost is anticipated to be paid from proceeds of a subsequent series of Bonds. KH Alton LLC is, however, obligated to pay any development costs of the Project which are not paid with proceeds of Bonds. See "Unit of Development No. 2C and the Project" herein for further information.

The Series 2014 Bonds and any additional Bonds issued by the District are collectively referred to herein as the "Bonds." The Bonds are limited obligations of the District and are payable solely from and are secured equally and ratably by a lien upon and pledge of (i) the proceeds of special assessments, known as "Drainage Taxes," levied by the District upon assessable land in Unit 2C and (ii) amounts on deposit in certain funds established pursuant to the Resolution. See "Security for the Series 2014 Bonds" herein for further information.

Under the conditions further described herein, the District could issue additional Bonds in the amount of up to \$37,987,800* to pay the cost of Improvements included in the Plan of Improvements that are not paid with proceeds of the Series 2014 Bonds, and it is anticipated that a second series of Bonds will be issued in 2017. In addition, the District is permitted to issue additional Bonds for the purpose of refunding all or a portion of any outstanding Bonds. Any additional Bonds, whether issued to pay the cost of Improvements or to refund Bonds, would be payable on a parity with any other Bonds, including the Series 2014 Bonds. See "Security for the Series 2014 Bonds-Additional Bonds" herein for further information.

This Official Statement includes descriptions of the Series 2014 Bonds, the District, the Project, Unit 2C, Kolter, Alton, the County and Scripps Florida and certain other matters. Terms used herein in capitalized form and not otherwise defined herein have the same meanings as in the Resolution.

Written inquiries concerning the District and the Series 2014 Bonds should be directed to the Executive Director of the District, and copies of documents pertinent to the District and the Series 2014 Bonds may be obtained, upon the payment of any required fee, from the District upon written request at the address listed on page (i) hereof.

*Preliminary, subject to change.

THE SERIES 2014 BONDS

General Description

The Series 2014 Bonds are being issued as fully registered bonds in principal denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. The Series 2014 Bonds will be dated the date of their initial issuance and delivery, will bear interest from that date at the rates (calculated on the basis of a 360-day year consisting of twelve 30-day months) and, subject to the redemption provisions described below, will mature on the dates and in the amounts set forth on the inside cover page hereof.

Interest on the Series 2014 Bonds is payable on February 1 and August 1 of each year (the "Interest Payment Dates"), commencing February 1, 2015. Interest will be paid by check or draft mailed on the Interest Payment Date by The Bank of New York Mellon Trust Company, N.A., or its successor, as Trustee (the "Trustee"), to the registered Owners as of the close of business at the Principal Office of the Trustee on the fifteenth day of the month next preceding the Interest Payment Date; provided, however, that upon the written request of and at the expense of any Owner of at least \$1,000,000 principal amount of Series 2014 Bonds (or of all Series 2014 Bonds if less than \$1,000,000 shall be unpaid), interest will be paid by wire transfer to a bank account specified in such written request. Principal of the Series 2014 Bonds is payable when due upon presentation and surrender of the Series 2014 Bonds at the Principal Office of the Trustee.

For so long as the book-entry system of ownership of the Series 2014 Bonds continues, principal of and interest on the Series 2014 Bonds will be paid as described herein under "Book-Entry Only System."

Redemption Provisions

Mandatory Redemption. The Series 2014 Bonds maturing in the year _____ (the "____ Term Bonds") are subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the District at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on August 1 in the years and in the principal amounts set forth below:

_____ Term Bonds	
<u>Year</u>	<u>Amount</u>

The Series 2014 Bonds maturing in the year _____ (the "____ Term Bonds") are subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the District at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on August 1 in the years and in the principal amounts set forth below:

_____ Term Bonds	
<u>Year</u>	<u>Amount</u>

The Series 2014 Bonds maturing in the year _____ (the "____ Term Bonds") are subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the District at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on August 1 in the years and in the principal amounts set forth below:

_____ Term Bonds

Year

Amount

If as of any date the District shall have discharged, whether through purchase for cancellation, redemption or otherwise, Series 2014 Bonds of a maturity in excess of the aggregate mandatory redemption requirements for such maturity to but not including such date, such excess of Series 2014 Bonds so discharged and not previously applied as a credit as described in this paragraph shall be credited over such of the remaining mandatory redemption dates for the Series 2014 Bonds of such maturity as the District shall determine, and shall reduce the amount of such Series 2014 Bonds otherwise subject to mandatory redemption on such date(s); provided, however, that no such excess shall be credited to the amount of Series 2014 Bonds subject to mandatory redemption on a particular August 1 after the selection of Series 2014 Bonds to be redeemed on such date has been made.

Optional Redemption. Except as hereinafter provided under "Extraordinary Optional Redemption at Par," the Series 2014 Bonds are not subject to redemption at the option of the District prior to August 1, 202_. The Series 2014 Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part, on any date on or after August 1, 202_ at the redemption price equal to the principal amount thereof, plus accrued interest thereon to the date of redemption.

Extraordinary Optional Redemption at Par. In the event there are funds in the Series 2014 Account of the Project Fund upon completion of the Improvements, or which the District in its sole discretion determines are not necessary or desirable for completion of the Improvements, the Trustee shall, at the direction of the District, first deposit such funds in the Series 2014 Account of the Reserve Fund to the extent of any deficiency therein, and any remaining amount shall be deposited in the Series 2014 Account of the Bond Fund and used to pay debt service on the Series 2014 Bonds, and may at the option of the District be used to redeem Series 2014 Bonds, prior to maturity, in whole or in part at any time, at a price of par plus accrued interest to the date set for redemption. The Series 2014 Bonds to be redeemed pursuant to such redemption will be selected from each maturity of the Series 2014 Bonds on a reasonably proportionate basis, based upon the ratio of the outstanding principal amount of each such maturity to the outstanding principal amount of all Series 2014 Bonds. Potential investors in the Series 2014 Bonds should consider the possibility of the redemption of Series 2014 Bonds as a result of the circumstances described herein under "Litigation-Permit Challenge."

Notice of Redemption. No notice of the optional redemption of Series 2014 Bonds may be given unless funds for such redemption are irrevocably deposited with the Trustee or an escrow agent prior to giving such notice or unless the notice expressly states that the redemption is subject to deposit of funds by the District. Notice of redemption of Series 2014 Bonds shall be given by the Trustee by mailing a notice of redemption by first-class mail postage prepaid or prepaid overnight delivery at least thirty days and not more than sixty calendar days prior to the date fixed for redemption, to the Owners of the Series 2014 Bonds selected for redemption at their addresses as they appear on the registration books kept by the Trustee at the close of business on the tenth Business Day next preceding the date such notice is mailed. The failure to give such notice or any defect therein shall not affect the validity of any proceedings for the redemption of any Series 2014 Bond with respect to which no such failure has occurred. Any notice prepared and mailed as provided in the Resolution shall be conclusively presumed to have been duly given, whether or not the Owner of Series 2014 Bonds to be redeemed receives the notice.

The Trustee shall send an additional copy of the notice of redemption, by registered or certified mail, to any Owner of a Series 2014 Bond called for redemption which has not been presented for redemption by the sixtieth day after the applicable redemption date. Such further notice of redemption shall be sent at any

time after the sixtieth and before the ninetieth day after the redemption date. Failure of the Trustee to send any such further notice of redemption shall not affect the validity of any proceedings for the redemption of the Series 2014 Bonds.

Redemption Payments. Upon the giving of the initial notice of redemption as described above, the Series 2014 Bonds or portions thereof called for redemption shall become due and payable on the redemption date at the redemption price, and if the funds necessary to effect such redemption are on deposit with the Trustee and are available therefor, such Series 2014 Bonds or portions thereof shall cease to bear interest from and after the redemption date, and such Series 2014 Bonds or such portions thereof selected for redemption shall cease to be entitled to any benefit of or security under the Resolution, and the Owners thereof shall have no rights in respect of such Series 2014 Bonds or portions thereof except the right to receive payment of the redemption price thereof.

Registration, Transfer and Exchange

The Series 2014 Bonds are transferable only upon the registration books of the District maintained by the Trustee. For so long as the book-entry only system of ownership is being maintained for the Series 2014 Bonds, transfers of beneficial ownership interests in the Series 2014 Bonds will be accomplished as described herein under "Book-Entry Only System," and Cede & Co. shall be the sole Owner of the Series 2014 Bonds. In the event such book-entry system of ownership is discontinued, transfers of the Series 2014 Bonds shall be accomplished as described below.

Series 2014 Bonds may be exchanged, at the option of their Owner, for Series 2014 Bonds of any authorized denomination or denominations of the same series in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as the Series 2014 Bonds being exchanged. The exchange shall be made upon presentation and surrender at the Principal Office of the Trustee of the Series 2014 Bond or Bonds being exchanged, duly endorsed for exchange (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing.

Any Series 2014 Bond may be transferred upon presentation and surrender at the Principal Office of the Trustee of the Series 2014 Bond being transferred, duly endorsed for transfer (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing. Upon transfer of any Series 2014 Bond the Trustee shall deliver to the transferee a new Series 2014 Bond or Bonds of the same series registered in the name of the transferee, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date as the Series 2014 Bond or Bonds presented and surrendered for transfer.

In the case of any transfer or exchange, the District and the Trustee may require the payment by the Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and such charge shall be paid before a new Series 2014 Bond is issued.

Neither the District nor the Trustee shall be required to transfer or exchange any Series 2014 Bond during the period beginning ten Business Days before the date of the mailing of a notice of redemption of Series 2014 Bonds and ending at the close of business at the Principal Office of the Trustee on the day of such mailing, or to transfer or exchange any Series 2014 Bond called for redemption, in whole or in part.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2014 Bonds. The Series 2014 Bonds will be issued as fully-registered securities registered in the

name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2014 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U. S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-US. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of beneficial ownership interests in Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2014 Bonds, except in the event that use of a book entry only system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014 Bonds, such as redemptions and proposed amendments to the bond documents. For example, Beneficial Owners of Series

2014 Bonds may wish to ascertain that the nominee holding the Series 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the ownership interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2014 Bonds unless authorized by a Direct Participant in accordance with DTC procedure. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2014 Bonds will be made to Cede & Co., or such other nominee as may be directed by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirement as may be in effect from time to time.

Payment of principal and interest on the Series 2014 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC), is the responsibility of the District and the Trustee, disbursement of such payment to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2014 Bond certificates will be delivered in accordance with transfer instructions provided by DTC, or its nominee, as registered owner.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2014 Bond certificates will be delivered in accordance with transfer instructions provided by DTC, or its nominee, as registered owner. Thereafter, Series 2014 Bond certificates may be transferred and exchanged as described in the Resolution. See "Appendix A - Form of the Resolution."

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, a source that the District believes to be reliable, but the District does not guarantee the accuracy thereof.

SECURITY FOR THE SERIES 2014 BONDS

General

THE SERIES 2014 BONDS ARE NOT GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS PAYABLE SOLELY FROM CERTAIN SPECIAL ASSESSMENTS REFERRED TO AS "DRAINAGE TAXES" (HEREINAFTER DEFINED) AND AMOUNTS IN CERTAIN OF THE FUNDS AND ACCOUNTS CREATED PURSUANT TO THE RESOLUTION. NO OWNER SHALL EVER HAVE THE RIGHT TO COMPEL THE DISTRICT TO PAY

THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2014 BONDS, OR TO MAKE ANY OTHER PAYMENTS PROVIDED FOR IN THE RESOLUTION FROM ANY FUNDS OTHER THAN THOSE PLEDGED BY THE DISTRICT FOR SUCH PURPOSE. THE SERIES 2014 BONDS DO NOT CONSTITUTE A LIEN UPON ANY OF THE REAL OR PERSONAL PROPERTY OF THE DISTRICT OTHER THAN THE TRUST ESTATE (AS DEFINED IN THE RESOLUTION).

The Resolution provides that the Series 2014 Bonds shall be payable solely from, and shall be secured solely by, and that the District grants to the Owners of the Series 2014 Bonds a lien on and pledge of all Drainage Taxes and, subject to application as provided in the Resolution, any amounts held in certain funds and accounts established under the Resolution. The District may issue additional Bonds in the future. Any such additional Bonds that are issued will be on a parity with the Series 2014 Bonds and any other additional Bonds, except that no Bonds of a series will have a lien on or right to payment from amounts in the funds and accounts established in connection with any other series of Bonds. See "Additional Bonds" below for further information.

The District has covenanted in the Resolution to levy and collect the Drainage Taxes in accordance with the Act in amounts sufficient to pay the principal of and interest on the Bonds, including the Series 2014 Bonds, and make provisions for reserves as provided in the Resolution. As further described herein, however, Drainage Taxes levied for the payment of the principal of Bonds may not exceed the amount of benefits assessed against the lands in Unit 2C with respect to the Improvements. There is no limitation on the amount of Drainage Taxes that may be levied for the payment of interest on the Bonds.

The District has covenanted that until all of the Series 2014 Bonds have been paid or provision made for their payment, except for additional Bonds under the Resolution, it will not create or permit to be created any charge or lien on the Drainage Taxes or amounts in the funds and accounts created under the Resolution ranking equal with, prior to or subordinate to the lien of the Bonds, including the Series 2014 Bonds.

The District has in the past and may in the future incur indebtedness secured and/or payable partially or wholly by special assessments other than the Drainage Taxes levied upon all or any portion of the land in Unit 2C in order to finance projects of the District other than the completion of the Plan of Improvements for Unit 2C. While such indebtedness is not and will not be payable from the Drainage Taxes, such special assessments have been and could be imposed upon the same land in Unit 2C that is subject to the Drainage Taxes, and do add to and could further increase the amount of taxes and assessments to which such land is subject. For further information, see "Security for the Series 2014 Bonds - Projected Tax and Assessment Information for Unit 2C," "The District-Prior and Future Financings," "Unit of Development No. 2C and the Project" and "Owners' Risks" herein.

Assessment of Benefits and Levy of Drainage Taxes

In General. Under the Act, among its other powers, the District is empowered to finance, construct, equip and operate (i) roadways and related improvements including irrigation systems and lighting, (ii) pedestrian paths including lighting, (iii) potable water distribution and wastewater collection facilities, (iv) surface water management system including lakes, (v) environmental preserves, (vi) perimeter buffer walls and (vii) associated landscaping. The District may undertake projects on a District-wide basis, or the Board may designate an area as a "unit of development" within which a particular project will be undertaken. In the event that the District determines to undertake a project, the Board is required to adopt a plan which describes the improvements to be constructed. This plan is commonly referred to as a "plan of improvements."

Before the Board may adopt a plan of improvements, the Board is required to adopt a resolution to consider adopting the plan. After the resolution proposing the adoption of the plan has been filed with District's Secretary, the Board is required to conduct a public hearing on the proposed plan. At the conclusion of the hearing the Board must determine whether to proceed with the process for approval of the plan.

If the Board determines to proceed with a proposed plan, the District Engineer is required to prepare a final version of the plan and a report (the "Engineer's Report") that, among other things, determines the amount of benefits and the amount of damages that will accrue to any land from implementing the proposed plan, estimates the cost of the proposed plan and assesses the benefit to be derived from implementation of the plan to the land benefitted thereby. The Engineer's Report also includes the plan. Once the Engineer's Report is filed with the Board, and after notice and an opportunity for comment as required by law, a public hearing is held by the Board at which time the Board considers whether the estimated cost of construction of the improvements described in the plan is less than the benefit to be derived therefrom. If the Board determines that the benefit is greater than the cost, then the Board may revise, approve and confirm the Engineer's Report.

The approval of the Engineer's Report by the Board constitutes the approval of the plan and also establishes the amount and apportionment of the assessment of benefits derived from the implementation of the plan. The assessment of benefits so established is final and conclusive as to all land assessed unless within thirty days after approval of the Engineer's Report an action for relief is brought in a court of competent jurisdiction. Unless such action is commenced within the thirty day period, then the assessment of benefits set forth in the Engineer's Report is final and non-appealable.

After the Engineer's Report and plan have been approved by the Board, the District is authorized to levy special assessments upon lands to which benefits have been assessed. These special assessments may be used to pay the cost of implementation of the plan or may be used to pay debt service on bonds issued to raise funds for such purpose.

When the District determines to impose special assessments upon benefitted lands, the Board adopts a resolution to that effect. The Board is required to levy special assessments on all lands to which benefits have been assessed as may be found necessary by the Board to pay the cost of completion of the improvements shown in the plan, plus 10% of said total amount for contingencies. Furthermore, if bonds are to be issued, the amount of interest estimated by the Board to accrue on such bonds is added to the total amount of such special assessments. Therefore, the resolution levying special assessments when bonds are to be issued includes two components: first, a component of assessments sufficient to pay the principal of the bonds, and second a component of assessments sufficient to pay the interest on the bonds. The resolution levying special assessments sets forth the total amount of special assessments to be imposed for repayment of debt, and annually thereafter the Board collects an amount of such special assessments sufficient to pay the principal and interest on such bonds as have been issued as the same becomes due and payable. The District may levy special assessments on each benefitted parcel in an amount not to exceed 100% of the benefits assessed thereto for the purpose of paying the principal of bonds, but the principal amount of bonds issued may not exceed 90% of the assessed benefits. There is no limit on the amount of special assessments that may be levied for the purpose of paying interest on bonds.

In addition to special assessments levied to pay debt service on bonds, the District may levy annual assessments to maintain improvements described in a plan. These maintenance assessments may be, but are not ordinarily, pledged to pay debt service on bonds issued by the District. Any maintenance assessments with respect to Unit 2C are not part of the Drainage Taxes and are not pledged to pay principal or interest on the Bonds.

Unit 2C and the Drainage Taxes. At the written request of the owners at that time of all of the land therein, Unit 2C was established by the Board pursuant to resolutions adopted on September 24, 2008 and October 22, 2008. On August 28, 2013 the Board adopted a Resolution approving consideration of the adoption of a plan of improvements for Unit 2C.

On February 14, 2014 the District Engineer filed its Report of Engineer (the "Report of Engineer") with the Secretary of the District. The Report of Engineer is reproduced herein (with the exception of the

deletion of certain lengthy legal descriptions of property included in Unit 2C) in Appendix D. On March 16, 2014, the Board adopted a Resolution approving a plan for Unit 2C titled "Plan of Improvements" (as amended from time to time, the "Plan," or "Plan of Improvements") and the Report of Engineer.

The Report of Engineer assesses benefits (and no damages) (sometimes referred to herein as the "Amount of Determined Benefit") to the Assessable Real Property within Unit 2C as a result of implementation of the Plan in the aggregate amount of up to \$104,949,363 (the "Maximum Benefit"). "Assessable Real Property" means real property located within Unit 2C which will receive benefits from the implementation of the Plan and which may be subject to the levy of Drainage Taxes by the District. No judicial action challenging the approval of the Report of Engineer was filed within the prescribed time, and the approval is therefore final and non-appealable.

The improvements to be constructed with respect to Unit 2C pursuant to the Plan consist of (i) roadways and related improvements including irrigation systems and lighting, (ii) pedestrian paths including lighting, (iii) potable water distribution and wastewater collection facilities, (iv) surface water management system including lakes, (v) environmental preserves, (vi) perimeter buffer walls and (vii) associated landscaping. Further information concerning the Plan and the Project is contained herein under the caption "Unit of Development No. 2C and The Project." The collective improvements described in the Plan are referred to as the "Improvements."

Both the Plan of Improvements and the Report of Engineer categorize the Improvements as being either "Community Infrastructure" or "Parcel Infrastructure." This distinction is important to both the amount and allocation of the benefits assessed (and thus the Drainage Taxes) to the land in Unit 2C.

"Community Infrastructure" includes those Improvements which the District Engineer determined will provide a degree of benefit to all of the "Assessable Real Property" in Unit 2C. Examples of Improvements included in Community Infrastructure are turn lanes from adjoining arterial roads that provide access to Unit 2C and potable water mains leading from off-site and into Unit 2C.

Of the Maximum Benefit, \$78,828,378 is attributable to the Community Infrastructure and is referred to herein as the "Community Benefit." The Report of Engineer contemplates that a "Contribution" may be made by a landowner in Unit 2C. A Contribution is a cash or in-kind contribution to the cost of a component of the Community Infrastructure that serves to reduce the portion of such cost to be paid by the District. If a Contribution is made, the amount of the Maximum Benefit and Community Benefit will be reduced as described herein. Any Contribution that is to be made must be made prior to or simultaneous with the issuance of the Series 2014 Bonds.

On or before the date of issuance of the Series 2014 Bonds, KH Alton LLC is expected to make a Contribution (the "Kolter Contribution") to the cost of the Improvements. The Kolter Contribution, if made, will be made in the approximate amount of \$365,000*, although the exact amount of such contribution will be determined during the pricing of the Series 2014 Bonds. The Kolter Contribution is a condition precedent to the issuance of the Series 2014 Bonds. The purpose of the Kolter Contribution is to reduce the Amount of Determined Benefit to the Apartment Land Use Classification (see "Method of Apportionment of Drainage Taxes - Community Benefit" below), thereby reducing the level of Drainage Taxes levied thereon below the level that would otherwise apply. The estimated Kolter Contribution will reduce the total Community Benefit to approximately \$78,171,016* and the total Maximum Benefit to approximately \$104,292,001*, although the exact figures will not be known until the final amount of the Kolter Contribution has been determined during the pricing of the Series 2014 Bonds (see Table A - Allocation of Determined Benefit - Community).

*Preliminary, subject to change.

The concept of the Contribution is discussed further under the caption "Method of Apportionment of Drainage Taxes- Community Benefit" below.

"Parcel Infrastructure" includes only those Improvements which the District Engineer determined would provide benefit only to specific tracts of Assessable Real Property in Unit 2C but not to all Assessable Real Property in Unit 2C. An example of a component of Parcel Infrastructure is a neighborhood street that is intended primarily to provide access only to and from limited numbers of residences in a discrete area of Unit 2C.

The balance of the Maximum Benefit, \$26,120,985, is attributable to the Parcel Infrastructure and is referred to herein as the "Parcel Benefit." The Parcel Benefit is not impacted by the Kolter Contribution. The Report of Engineer contemplates that the Parcel Benefit is inchoate (that is, pending) and neither affects the allocation of debt or maintenance assessments levied by the District (see "Method of Apportionment of Drainage Taxes" below) nor supports the incurrence of indebtedness by the District until the Board has adopted a resolution (an "Activating Resolution") stating that all or a portion of the Parcel Benefit is being activated. Stated differently, taking into account the estimated Kolter Contribution, until an Activating Resolution is adopted, it is as if the Maximum Benefit is only \$78,171,016* (the post-Contribution Maximum Benefit minus the Parcel Benefit). No Parcel Benefit will have been activated at the time of issuance of the Series 2014 Bonds. Therefore, the principal amount of the Bonds is currently limited to \$70,353,914*, which is 90% of the Community Benefit (after the Kolter Contribution) of \$78,171,016*. As the activation of Parcel Benefit occurs, the principal amount of Bonds that may be issued will increase. Activation of Parcel Benefit has no impact on the type of the Improvements that will be paid for with proceeds of the Series 2014 Bonds, which may be any Improvements described in the Plan of Improvements. Each Activating Resolution must specify to which Category(ies) of Parcel Infrastructure it relates and the corresponding Amount(s) of Determined Benefit that is being activated (see "Method of Apportionment of Drainage Taxes - Parcel Benefit" below for a discussion of the concept of "Category"). Prior to completion of the Parcel Infrastructure Improvements, the District must activate all of the Amount of Determined Benefit for all Categories of Parcel Infrastructure.

When the District levies Drainage Taxes, the amount of the Drainage Taxes borne by a particular parcel of land equals the total Drainage Taxes being levied in the particular year multiplied by a fraction, the numerator of which is the portion of the effective Maximum Benefit allocated to that parcel of land and the denominator of which is the effective Maximum Benefit for the entirety of Unit 2C. Thus, the activation of Parcel Benefit not only increases the denominator of the fraction, but, with respect to parcels of land that receive the Parcel Benefit that has been activated, it increases the numerator. Activation of Parcel Benefit also increases the Amount of Determined Benefit and thus the principal amount of Bonds that the District may issue. Thus, activation may affect the amount of Drainage Taxes and will affect the manner in which Drainage Taxes are apportioned throughout Unit 2C.

By Resolution No. 2014-03, adopted March 26, 2014, as amended by Resolution No. 2014-05, adopted June 25, 2014 (jointly, the "Tax Resolution"), the Board levied special assessments on all assessable land within Unit 2C to which benefits had been assessed for Improvements. As discussed above, the special assessment consists of two components. The first component of the special assessment (hereinafter referred to as the "Principal Component") is \$78,828,378, an amount equal to the Community Benefit (since none of the Parcel Benefit will have been activated as of the date of issuance of the Series 2014 Bonds). After the currently estimated Kolter Contribution is made, the Principal Component will be reduced to \$78,171,016*.

After the issuance of the Series 2014 Bonds, the Principal Component will be increased by the Amount of Determined Benefit with respect to Parcel Infrastructure that is activated from time to time pursuant to one or more Activating Resolutions.

*Preliminary, subject to change.

The District may levy installments of special assessments in the aggregate amount of up to the Principal Portion to pay principal of Bonds, but the maximum principal amount of Bonds (other than refunding bonds) that may be issued cannot exceed 90% of the Principal Component. In calculating the foregoing limitation, bonds that have been refunded are taken into account only to the extent of the principal amount thereof previously paid or to be paid from proceeds of special assessments levied as part of the Principal Component. After the issuance of the Series 2014 Bonds, the currently estimated Kolter Contribution and the activation of all of the Parcel Benefit, additional Bonds (exclusive of refunding bonds as described above), could lawfully be issued in the amount of \$37,987,800*.

The second component of the special assessment consists of the actual interest that accrues on the Bonds from their dates of issuance to the dates of final payment thereof, and is referred to herein as the "Interest Component."

The District annually determines through its budgetary process what portion of the special assessments shall be levied in each year. The special assessments lawfully levied pursuant to the Tax Resolution are referred to herein as the "Drainage Taxes." All Drainage Taxes levied upon the lands within Unit 2C pursuant to the Resolution secure the Bonds.

In addition to the Drainage Taxes, the District will annually levy assessments on the assessable land in Unit 2C in order to maintain Improvements its owns, and these maintenance assessments are not pledged to the repayment of any of the Bonds. The maintenance assessments are allocated and apportioned in the same manner as the Drainage Taxes except that the effect of any Contribution is disregarded in the case of maintenance assessments.

Method of Apportionment of Drainage Taxes

General. The foregoing discussion has described the assessment of benefits and the levy of Drainage Taxes upon lands in Unit 2C on a Unit-wide basis. However, not all land in Unit 2C will receive the same amount of benefits as a result of the implementation or construction of the Improvements. For this reason, as stated in the Report of Engineer, the District Engineer determined the varying benefits received by the various lands in Unit 2C. When the Board imposes the Drainage Taxes, the total Drainage Taxes are apportioned among the lands in Unit 2C in accordance with the relative benefits assessed thereto by the District Engineer. The following is a discussion of the apportionment of benefits, and thus, of Drainage Taxes, among the benefitted land in Unit 2C. The apportionment method is complex, and the following is a technical discussion of the method. The projected and practical implications of the assessment methodology are discussed herein under the captions "Projected Tax and Assessment Information for Unit 2C" and "The Development-Alton and the Plan of Development-Projected Drainage Tax Levels."

All Drainage Taxes imposed by the District upon the Assessable Real Property in Unit 2C pursuant to the Tax Resolution will be allocated and apportioned in accordance with the Amount of Determined Benefits procedures described below. The percentage of the total Drainage Taxes borne by a particular area of land in a given tax year will be equal to the Amount of Determined Benefit (the sum of the Community Benefit and any applicable activated Parcel Benefit) attributable to such area for such tax year divided by the total Amount of Determined Benefit (the sum of the Community Benefit and any applicable activated Parcel Benefit) for the entire Unit 2C for such tax year.

The amount and allocation of the Maximum Benefit will change as Assessable Real Property in Unit 2C is platted and under other conditions, as described herein. Such changes shall be effective for the purposes of the District's assessments levied in a particular year based upon the data contained in the Unified Real Property Tax Roll of Palm Beach County as of January 1 of such year. That is, changes in Land Use Classifications and changes due to new subdivisions of land by plat or other legal means that occur after

*Preliminary, subject to change.

January 1 of a year will not be taken into account in the levy of the District's assessments in such year, and will not be taken into account until the following year.

Unit 2C consists of approximately 681.69 acres of land classified in the Report of Engineer as either Assessable Real Property or "Exempt Acres." The term "Exempt Acres" means real property located in Unit 2C which is not Assessable Real Property and which will not be subject to the levy of Drainage Taxes by the District. Some examples of Exempt Acres include land owned by the District and certain homeowners' associations and land associated with public rights of way, open space, wetlands, wetland buffers, and preserves. It is currently anticipated that Unit 2C will ultimately consist of approximately 459.59 acres of Assessable Real Property and approximately 222.10 acres of Exempt Acres, but the precise figures will not be known until the Project and the development of Alton and Scripps Florida are complete.

As noted above, the Report of Engineer and Plan of Improvements distinguish between Community Infrastructure/Community Benefit and Parcel Infrastructure/Parcel Benefit with respect to both the amount and allocation of the benefits derived by the Assessable Real Property in Unit 2C as a result of implementation of the Project. The following is a description of the allocation of benefits reflected in the Report of Engineer.

Community Benefit. The Community Benefit is initially apportioned over the Assessable Real Property in Unit 2C pro-rata on the basis of acreage. However, the Report of Engineer provides that the apportionment may change over time utilizing nine primary "Land Use Classification" categories. Land in Unit 2C may be designated as being in one of these Land Use Classifications. The aggregate Assessable Real Property within each Land Use Classification is then assigned a portion of the total Community Benefit, and that portion is subsequently apportioned over the Assessable Real Property subject to that Land Use Classification. The total Community Benefit, less any portion that is attributable to land that has been designated to a Land Use Classification, is apportioned over the Assessable Real Property that has not been designated to a Land Use Classification pro-rata, on the basis of area. Therefore, in order to determine the portion of Drainage Taxes that will ultimately be allocated to a particular parcel of land, in addition to other things, one must know any Land Use Classification assigned to that land. Land that is designated to a Land Use Classification may constitute Assessable Real Property or Exempt Acres. In general, if it is known at the time of the initial Plat of land that the land will be Exempt Acres, the land will not be designated to a Land Use Classification. However, it is also the case that land that is expected to be designated to a Land Use Classification will ultimately become Exempt Acres, in part. For example, Table C below indicates that 69.857 acres of land will be designated to the Biotech A Land Use Classification (see below), but as shown in Table D, it is expected that ultimately only 59.57 acres of this land will be Assessable Real Property (the balance of the land becoming Exempt Acres as a result of its expected use as water management tracts dedicated to the District and rights of way for public roadway). See "Assessable Real Property Distinguished from Land that has been Designated" below.

The District Engineer determined that there are nine classifications of land use ("Land Use Classifications") that are expected to exist within Unit 2C. This determination was based upon information provided by Kolter, the District and the County, and also upon public records evidencing the governmentally-approved uses of the land. See "The Development-Alton and the Plan of Development-The Development Order."

The District Engineer considered the following factors in determining the extent to which land designated to a Land Use Classification category would benefit from the implementation and construction of the Plan: (i) surface water runoff and the percent impervious surface area of each of the nine land uses, (ii) average daily on-site and off-site traffic trips generated by each of the nine land uses, (iii) acreage of land in each of the nine land uses and (iv) water and sewer demand for each of the nine land uses. Use of these Land Use Classifications results in the allocation of the total Community Benefit as indicated in the Report of Engineer.

The Report of Engineer provides that the assignment of a Land Use Classification to land in Unit 2C is to be made pursuant to a designation of such land on a plat. A "plat" is a map of land that has the purpose of subdividing the land. In Florida, plats are only effective if they are approved by the owner of the relevant land, by governmental units with jurisdiction, and sometimes by other affected parties and then recorded in the Official Records of the county in which the affected land is located.

The Report of Engineer recommends that the District require that every initial plat of land within Unit 2C designate all of the land subject to such plat as being in one of the nine Land Use Classifications or indicate that all or a portion of the land subject to such plat shall not bear any designation. Only land that, if designated, would be Exempt Acres may not be designated as being within one of the nine Land Use Classifications.

The Report of Engineer also recommends that the District require that once all land in Unit 2C has been designated by plat, at least the following minimum acreage will have been designated to the Land Use Classifications:

<u>Land Use Classification</u>	<u>Minimum Designated Acres</u>
Biotech A	59.57
Biotech B	32.50
Office	40.53
Hotel	2.00
Commercial/Retail	40.67
Apartment	13.00
Townhome - Residential	36.12
Single Family - Residential	230.20
Utility	<u>5.00</u>
Total	459.59

The District and Kolter entered into an agreement (the "Plat Designation Agreement"), that no plat of any land within Unit 2C may be effective except with the prior written consent of the District. The Plat Designation Agreement provides that any initial plat of land within Unit 2C must designate all of the land that is subject to such plat as being in one of the nine Land Use Classifications or an undifferentiated blend thereof (unless such land is Exempt Acres, in which case it would not be subject to Drainage Taxes of any amount). The designation of a Land Use Classification to a parcel of Assessable Real Property pursuant to a plat is not subject to change, even if such land is further platted or re-platted, except with the prior written consent of the District.

The District has not entered into an agreement similar in scope to the Plat Designation Agreement with any of the landowners or mortgagees of land in Unit 2C other than Kolter. However, the consent of the owner and any mortgagee of land that is to be subject to a plat is required in order for the plat to be effective.

As of the date of issuance of the Series 2014 Bonds, none of the land in Unit 2C will have been platted or designated to a Land Use Classification. See "Status of Plat" below.

The Land Use Classification of Assessable Real Property is used solely for the purposes of the allocation of the Amount of Determined Benefit, and does not legally bind any landowner within Unit 2C as to the actual use of the land subject to such designation. The actual use of a designated parcel of Assessable Real Property will not change the Land Use Classification for said parcel. However, as noted herein under "The Development-Alton and the Plan of Development- Zoning/Platting/Permitting," KH Alton LLC projects that the actual land uses within Unit 2C are expected to be consistent with the Land Use Classifications, and

the various governmental (land use) approvals with respect to the development of Alton and Scripps Florida support that expectation.

As discussed under "Assessment of Benefits and Levy of Drainage Taxes - Unit 2C and the Drainage Taxes," the Report of Engineer provides that the owner of land within Unit 2C may make a Contribution to the District in order to offset the cost of Improvements and thereby reduce the amount of Drainage Taxes that the District would otherwise levy upon the land that is the subject of the Contribution. The Kolter Contribution is expected to be made prior to or simultaneously with the issuance of the Series 2014 Bonds. The Kolter Contribution will reduce the Community Benefit and will ultimately serve to reduce the level of Drainage Taxes assessed upon land in the Apartment Land Use Classification. The expected Amount of Determined Benefit to each Land Use Classification before and after the Kolter Contribution is set forth below as Table A. As noted, the amount of the Kolter Contribution will be established during the pricing of the Series 2014 Bonds, and the figures in Table A and Examples 1 and 2 below are therefore preliminary and subject to change.

TABLE A

<u>Land Use Classification</u>	<u>Amount of Determined Benefit- Pre-Contribution</u>	<u>Amount of Determined Benefit- Post-Contribution</u>
Biotech A	\$14,006,977	\$14,006,977
Biotech B	8,290,901	8,290,901
Office	10,897,459	10,897,459
Hotel	1,491,554	1,491,554
Commercial/Retail	8,274,866	8,274,866
Apartment	3,248,575	2,591,212*
Townhome - Residential	5,769,556	5,769,556
Single Family - Residential	26,506,830	26,506,830
Utility	<u>341,660</u>	<u>341,660</u>
Total	\$78,828,378	\$78,171,016*

Example 1: As a purely hypothetical example for illustrative purposes only, taking into account the Kolter Contribution, assuming that no Parcel Benefit is activated and that only land in the Biotech A Land Use Classification has been designated, then if the District were to levy \$1,000,000 in Drainage Taxes in a year, the land in the Biotech A classification would bear, in the aggregate, \$1,000,000, multiplied by \$14,006,997 divided by \$78,171,016* of those Drainage Taxes, or \$179,184* (17.92%*). The remaining Drainage Taxes would be imposed upon the Assessable Real Property in Unit 2C that has not been designated to a Land Use Classification and would be allocated over such land pro-rata on the basis of acreage.

The Report of Engineer provides that a plat may designate all (and not less than all) of a separately subdivided area of land as being an undifferentiated blend of two or more Land Use Classifications (for example, Biotech A/Office), and all of the land so designated will be treated as a blend of the applicable Land Use Classifications.

Example 2: Referring again to Example 1 and Table A above, if the land in Biotech A and Biotech B were designated as a combined undifferentiated blend, then if the District were to levy \$1,000,000 in Drainage Taxes in a year, the land in the Biotech A/Biotech B classification would bear, in the aggregate, \$1,000,000, multiplied by the sum of \$14,006,997 plus \$8,290,901, divided by \$78,171,016*, of those Drainage Taxes, or \$285,245* (28.52%*).

*Preliminary, subject to change.

If the land in the undifferentiated Biotech A/Biotech B Land Use Classification consisted of one whole subdivided parcel for taxing purposes it would be assessed the entire \$285,245*. If, however, the land consisted of more than one subdivided parcel this aggregate would be apportioned among the various parcels in the undifferentiated combined Land Use Classification pro-rata on the basis of acreage. This would result in a different apportionment of the total Drainage Taxes over the affected land than would occur if the Biotech A and Biotech B Land Use Classifications were not blended, although the total Drainage Taxes on all land in both Land Use Classifications in the aggregate would be the same in both situations.

Subsequent to having been designated as an undifferentiated blend of Land Use Classifications, all (and not less than all) of a separately subdivided area of land may be re-designated (pursuant to a plat) to any single one of the Land Use Classifications included in the blend, and in any acreage not in excess of the acreage of such Land Use Classification originally included in the undifferentiated blend. Upon such designation, the land, if any, that remains subject to the undifferentiated blend will continue to receive the blended benefit but at adjusted acreage levels.

Example 3: If seventy-five acres of land are initially designated as "Undifferentiated Hotel (two acres)/Office (forty acres)/Biotech (thirty-three acres)," and twenty of those acres are subsequently designated as Office, the remaining fifty-five acres will continue to be treated as "Undifferentiated Hotel (two acres)/Office (twenty acres)/Biotech (thirty-three acres).

This discussion of the flexible nature of the allocation of the Drainage Taxes is relevant because Unit 2C will be developed over a prolonged period of time, and expected uses of land may not ultimately materialize. The method of allocation of Drainage Taxes was developed to accommodate changes in circumstance, to a degree, within practical and reasonable limits.

Parcel Benefit. Similar to the Land Use Classifications for Community Benefit, the Parcel Benefit is apportioned over the Assessable Real Property in Unit 2C based upon categories of "Parcel Infrastructure." There are five "Categories" of Parcel Infrastructure, being Parcels C, D, E, F and G, each of which correspond to a subset of Improvements described in the Plan of Improvements. The land that has been designated as being within a Category of Parcel Infrastructure is assigned a portion of the total Parcel Benefit, and that portion is subsequently apportioned over the portion of that land that is Assessable Real Property. Thus, an acre of land that is subject to one Parcel designation may be subject to a level of benefit that differs from that of an acre subject to another Parcel designation, even if both acres were in the same Land Use Classification for purposes of the Community Benefit allocation. Unlike the Community Benefit, there is no concept of a "Contribution" that would reduce the Amount of Determined Benefit with respect to the Parcel Benefit.

The method and effect of assignment of a Category of Parcel Infrastructure to land is pursuant to a designation of such land on a plat, substantially the same as the method and effect described above with respect to Community Benefit. Designation of land to a Parcel Category is a prerequisite to the activation of Parcel Benefit associated with that Parcel Category. At the time of issuance of the Series 2014 Bonds, none of the land in Unit 2C will have been designated to a Parcel Category. It is, however, expected that only land that has been designated as in either the Townhome - Residential or Single Family - Residential Land Use Classification will be designated as being within a Category of Parcel Infrastructure.

While the District is obligated to complete the Improvements described in the Plan, the District may undertake the implementation of the Parcel Infrastructure Improvements in phases. Therefore, the Report of Engineer provides a mechanism whereby the assessment and allocation of the Parcel Benefit may also become effective in phases.

The Amount of Determined Benefit for a Category of Parcel Infrastructure will remain inchoate and will not affect the allocation of debt or maintenance assessments levied by the District nor will it support the issuance of Bonds until the Board of Supervisors has adopted an "Activating Resolution" stating that such

Amount of Determined Benefit, or any portion thereof, is being activated for purposes of the Report of Engineer and Tax Resolution. An Activating Resolution must specify to which Category(ies) of Parcel Infrastructure it relates and the corresponding Amount(s) of Determined Benefit that is being activated. The Activating Resolution may relate to a subcategory of a Category of Parcel Infrastructure if such a subcategory exists as described below. Prior to the completion of the Parcel Infrastructure Improvements, the District must activate all of the Amount of Determined Benefit for all Categories of Parcel Infrastructure.

The Report of Engineer provides that the District may permit a plat of land to designate land as being in one of two (and not more than two) subcategories of a Category of Parcel Infrastructure (for example, Parcel G-1 and Parcel G-2). The relevance of a sub-category designation is discussed further below. If a plat designates sub-categories within a Category of Parcel Infrastructure, the Amount of Determined Benefit will be allocated pro-rata, on the basis of area, between the two sub-categories of affected land. As of the date of issuance of the Series 2014 Bonds no sub-category designation will have been made.

The Amount of Determined Benefit for Parcel Infrastructure that has been activated will be allocated to the related land based upon "Taxing Units." The land that is expected to be subject to Parcel Benefit is expected to be developed solely for residential uses. Employment of the Taxing Unit concept provides a means to equalize the Drainage Tax levy among residences of similar, but not identical, lot size. For example, if the Drainage Taxes were apportioned based upon exact area, two substantially identical residences on slightly different lot sizes could be subject to different levels of Drainage Taxes. However, because of the nature of the Improvements that provide the Parcel Benefit, this would not be equitable (stated broadly, each residence of similar scope receives the same benefit).

Each separately subdivided lot or parcel of land (a "Lot") within a Category of Parcel Infrastructure that is less than or equal to 0.50 acres in actual area, shall be deemed to be one "Taxing Unit". KH Alton LLC has advised the District that no residential lot in Alton is expected to exceed 0.50 acres in size (although this expectation is not binding and KH Alton LLC's plans could change). However, to address the assessment of land that has not yet been fully subdivided, each Lot that is larger than 0.50 acres in actual area shall be deemed to be that number of Taxing Units obtained by dividing the actual area of such Lot by the Taxing Unit Factor associated with the category of Parcel Infrastructure listed in Table B below, and rounding the result up to the nearest whole number. The Amount of Determined Benefit (Parcel Benefit) allocable to a Lot within a Category of Parcel Infrastructure will equal the number of Taxing Units assigned to such Lot divided by the total number of Taxing Units with respect to such Category of Parcel Infrastructure multiplied by the Amount of Determined Benefit, or portion thereof, that has been activated with respect to such Category of Parcel Infrastructure.

Based upon the recommendations of the Report of Engineer, the District has determined that once all lands within Unit 2C have been designated to a Category of Parcel Infrastructure, a minimum acreage of land must have been designated to each Parcel Category as described in Table B. Table B also sets forth the Amount of Determined Benefit for each Parcel Category as determined by the Report of Engineer.

TABLE B

<u>Parcel Category</u>	<u>Amount of Determined Benefit</u>	<u>Minimum Designated Acres</u>	<u>Taxing Unit Factor</u>
Parcel C	\$5,782,858	57.00 acres	0.16
Parcel D	2,349,942	25.26 acres	0.22
Parcel E	3,993,492	43.00 acres	0.22
Parcel F	3,540,353	24.06 acres	0.09
Parcel G	<u>10,454,340</u>	<u>117.00 acres</u>	0.25
Total	\$26,120,985	266.32 acres	

Example 4: If a ten acre parcel of land within the Parcel C Category were platted into twenty lots of identical size and one five acre parcel, each of the smaller lots would constitute one Taxing Unit and the five acre parcel would constitute 32 Taxing Units (5 acres/.16 Taxing Unit Factor). The total Parcel C Benefit, and thus the associated Drainage Taxes, would thus be allocated 1/52nd to each of the twenty smaller lots and 32/52nd to the larger parcel, thus achieving a reasonably equitable allocation.

As recommended by the Report of Engineer, the Plat Designation Agreement authorizes the District to require that any plat of land within Unit 2C designate all or any portion of the land that is subject to such plat as being in one of the Categories of Parcel Infrastructure. The District is not able to directly designate land as being within a particular Category of Parcel Infrastructure, but the District's consent to any plat is required before it can be effective. In order for the development of Alton to proceed as described herein, it will be necessary for the land in Unit 2C to be further platted, and as that platting occurs, designation of land to the Categories of Parcel Infrastructure will also occur.

Status of Plat. As of the date of issuance of the Series 2014 Bonds, none of the land in Unit 2C will have been platted. However, a draft copy of a proposed initial plat of all of the land in Unit 2C is reproduced herein in Appendix C. The proposed plat designates the minimum acres required to be designated by the Report of Engineer. For further information concerning the proposed plat, see "The Development- Alton and the Plan of Development- Zoning/Platting/Permitting" herein.

The District cannot unilaterally control the platting of land in Unit 2C, but it has entered into the Plat Designation Agreement with KH Alton LLC. Kolter has an incentive to cooperate with the District in the platting process since, as further described herein, (i) the activation of Parcel Benefit increases the Principal Portion and thus the principal amount of Bonds that may be issued, (ii) under the terms of various agreements between the District and KH Alton LLC (collectively referred to herein as the "Developer's Agreement"), KH Alton LLC is obligated to pay any portion of the cost of the Project that the District does not finance through the issuance of Bonds, and (iii) within limitations, the ability of Kolter to proceed with development of Alton will require platting of the land in Unit 2C. Nevertheless, despite the foregoing and the existence of the Plat Designation Agreement, it is possible that the further platting of land in Unit 2C and the designation and activation of the Land Use Classifications and Parcel Benefit might not proceed as planned. This could have a material and adverse effect upon the development of Alton, the completion of the Project, the imposition and collection of the Drainage Taxes and ultimately the value and likelihood of timely payment of the Bonds, including the Series 2014 Bonds.

Assessable Real Property Distinguished from Land that has been Designated. The designation of land to a Land Use Classification or Category of Parcel Infrastructure serves to establish the portion of the Amount of Determined Benefit allocated to the portion of such land that is Assessable Real Property at any point in time. The status of land as Assessable Real Property can change. In general, all land that has been designated will be Assessable Real Property unless the land is owned by the District or consists of common elements owned by certain homeowner's associations, in which case such land, along with any other land not lawfully subject to the Drainage Taxes, is referred to herein as "Exempt Acres." Exempt Acres are not subject to the Drainage Taxes, even if the Exempt Acres had been designated to a Land Use Classification or Category of Parcel Infrastructure.

The total benefit to land designated to a particular Land Use Classification or Category of Parcel Infrastructure in a plat does not change dependent upon the proportion of such land that is or is not Assessable Real Property. Thus, the higher the proportion of such land that is Exempt Acres, the greater the assessment of benefits will be to the Assessable Real Property subject to such plat. For example, referring to Example 1 above, if the initial plat had designated 69.857 acres of land (the "Designated Land") to the Biotech A Land Use Classification, and if ten acres of such land was subsequently deeded to the District for surface water

management uses and thus becomes Exempt Acres, the \$179,184* Drainage Taxes apportioned to the Designated Land in Example 1 would be levied upon the remaining 59.857 acres of Assessable Real Property in Tract A. Thus, the actual use of land in Unit 2C can affect the level of Drainage Taxes levied thereon if the actual use causes the land to be Exempt Acres.

Projected Designations, Assessable Real Property and Apportionments. KH Alton LLC has advised the District that it expects that ultimately all of the land in Unit 2C will have been platted and, where applicable, designated for Land Use Classification and Parcel Designation purposes in accordance with the following Table C. A map generally depicting the expected designations is included in Appendix C.

TABLE C

<u>Tract Designation</u>	<u>Land Use Classification</u>	<u>Parcel Category</u>	<u>Acres Designated</u>
Tract A	Biotech A	None	69.857 acres
Tract B-1	Biotech B	None	42.171 acres
Tract B-2	Office	None	52.630 acres
Tract B-3	Hotel	None	2.000 acres
Tract C-1(a)	Single Family-Res.	Parcel C	45.811 acres
Tract C-1(b)	Townhome-Res.	Parcel C	12.300 acres
Tract C-2	Apartment	None	13.000 acres
Tract C-3	Commercial/Retail	None	40.802 acres
Tract D	Single Family-Res.	Parcel D	34.350 acres
Tract E	Single Family-Res.	Parcel E	46.510 acres
Tract F	Townhome-Res.	Parcel F	30.917 acres
Tract GH	Single Family-Res.	Parcel G	205.997 acres
Tract FPL	Utility	None	<u>5.000 acres</u>
		Total	601.345 acres

Unit 2C includes approximately 681.692 acres of land. The difference between the total acreage in Unit 2C and the acreage expected to be designated as shown in Table C, consisting of approximately 80.347 acres, is attributable to land that will be designated as Exempt Acres. This is land that is expected to be owned by the District and/or land associated with public rights of way, open space, wetlands, wetland buffers, and preserves. This land will not be subject to the Drainage Taxes. As noted above, additional land, which is expected to have been designated to a Land Use Classification and Parcel Category in accordance with Table C, will become Exempt Acres even though not designated as Exempt Acres on any plat. It is expected that approximately 141.75 acres will become Exempt Acres in this fashion, resulting in a total of approximately 222.10 Exempt Acres and approximately 459.59 acres of Assessable Real Property.

Tax Collection Procedures

The foregoing discussion has described how the amount of Drainage Taxes to be levied upon Assessable Real Property in Unit 2C is determined. The following discussion describes the procedures relevant to the collection and enforcement of Drainage Taxes.

The District is required to comply with statutory procedures in levying Drainage Taxes. Although the District has never failed to levy any special assessment that it was obligated to levy, failure of the District to follow these procedures could result in the Drainage Taxes not being levied.

In Florida, counties, municipalities, school districts and various other special taxing districts are authorized to levy ad valorem taxes subject to certain limitations. Ad valorem taxes are generally levied upon

*Preliminary, subject to change.

real and personal property located within the jurisdiction of the taxing authority. The rate of ad valorem taxation is generally uniform for all properties subject to taxation by a particular taxing entity, and is generally expressed in terms of a "millage" rate. The "millage" rate refers to the amount of ad valorem taxes expressed in terms of dollars of taxes per thousand dollars of assessed valuation of property subject to taxation (i.e., one "mill" is one dollar of taxes per thousand dollars of assessed value).

Within each county there is a property appraiser, one function of which is to determine the assessed valuation of all property within the county subject to ad valorem taxes. Each taxing authority imposing ad valorem taxes annually determines its millage rate, which is then multiplied by the assessed value of taxable property to determine the amount of taxes due. In general, each taxing entity provides the property appraiser with information concerning the rate of taxation being imposed by such taxing entity. The property appraiser then prepares a tax roll listing, for all property to be subject to taxation, the amount of taxes due to the various taxing entities. The property appraiser then provides this tax roll to the county tax collector who is charged with responsibility for collection of the taxes due.

Although the Drainage Taxes are not ad valorem taxes, under Florida law non-ad valorem assessments, such as the Drainage Taxes, may be collected in the same manner as ad valorem taxes if certain statutory procedures are followed. In order for the Drainage Taxes to be collected in the same manner as ad valorem taxes, among other things, the District must no later than August 1 of each year provide to the Palm Beach County Property Appraiser the estimated assessment rate of the Drainage Taxes expressed in dollars and cents per unit of assessment, the associated assessment amount and the purpose of the assessment. Additionally, not later than September 15 of each year, the Board of Supervisors of the District must determine the annual amount of Drainage Taxes to be levied in Unit 2C and certify such Drainage Taxes on compatible electronic medium to the Palm Beach County Tax Collector (the "Tax Collector"). The Drainage Taxes will then be enforced and collected by the Tax Collector in the same manner and at the same time as ad valorem taxes.

Upon receipt of the certified tax roll, the Tax Collector is required to mail to each taxpayer appearing on the tax roll a tax notice stating, among other things, the amount of current taxes, including the Drainage Taxes, if applicable, due from the taxpayer. In general, each taxpayer is required to pay all taxes shown in the tax notice without preference in payment of any particular increment of the tax bill, such as any increment owing for Drainage Taxes.

Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non ad valorem assessments such as the Drainage Taxes, and there are judicial decisions that support both views. Under the procedure, before a taxpayer may bring suit to contest a "tax assessment," the taxpayer must pay the amount of "tax" which the taxpayer admits in good faith to be owing. Upon making such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If the procedure applies to non ad valorem assessments such as the Drainage Taxes, then it is possible that as a result of a challenge to such assessments, the collection procedures described below could be held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Drainage Taxes which could have a material and adverse effect upon the ability of the District to timely pay debt service on the Series 2014 Bonds. In addition to the foregoing, a taxpayer may pay the entire tax assessment, and such payment does not preclude the right of the taxpayer to bring a timely legal action to challenge all or a portion of such tax assessment and seek a refund.

Upon receipt of the taxes, the Tax Collector is required to forward the portion of such taxes, if any, as is attributable to Drainage Taxes to the District. To the extent that a landowner fails to pay such taxes, the successful implementation of tax collection procedures available to the Tax Collector and the District is essential to continued payment of principal of and interest on the Series 2014 Bonds.

The collection of delinquent taxes, including Drainage Taxes, upon real property is based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the various governmental entities levying taxes for the payment of the taxes due. The demand for tax certificates is dependent upon various factors, including the interest which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which, as described herein, may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the land in Unit 2C may affect the demand for such certificates and therefore the successful collection of the Drainage Taxes which are the source of payment of the Series 2014 Bonds.

Drainage Taxes are not a personal obligation of the owner of the land subject thereto, but are instead an imposition upon the land subject to the Drainage Taxes. The ultimate, and only, recourse for payment of Drainage Taxes is an action against the land. If proceedings against the land, including the statutory tax collection procedures described herein, do not result in the collection of funds sufficient to pay delinquent Drainage Taxes, the landowner may not be compelled to pay the deficiency. Therefore the likelihood of collection of the Drainage Taxes may ultimately depend upon the market value of the land subject to taxation. While the ability of a landowner to pay Drainage Taxes is a relevant factor, the willingness of a landowner to pay the taxes, which may be affected by the value of the land subject to taxation, is also an important factor in the collection of Drainage Taxes. There is no necessary correlation between the assessed benefits to the property in Unit 2C, which is determined for the purpose of determining the maximum amount of Bonds that can be issued, and the fair market value thereof. The District has not commissioned any appraisal of the value of the real property in Unit 2C. Neither the District nor Kolter makes any representation concerning the fair market value of the land in Unit 2C. See "Appraisals" herein.

A landowner cannot be sued personally for failure to pay Drainage Taxes, but Drainage Taxes are a lien on the property against which they are assessed from January 1 of the year of assessment until paid or barred by operation of law (Statute of Limitations). The lien of the Drainage Taxes is of equal dignity with the liens for state and county taxes and other taxes which are of equal dignity upon land, and thus is a first lien, superior to all other liens including mortgages. Land owned by the State of Florida, including land owned by the County, is subject to the Drainage Taxes.

The statutes relating to the enforcement of ad valorem taxes (and also the Drainage Taxes) provide that such taxes become due and payable on November 1 of the year in which assessed or as soon thereafter as the certified tax roll is received by the Tax Collector. Depending upon the date of payment, taxpayers may receive a discount of up to 4% of the taxes levied by paying taxes prior to delinquency. In levying annual installments of Drainage Taxes, the District assumes that all taxpayers will pay in time to receive the full 4% discount. It is unclear under Florida law whether the 4% discount counts in determining whether the aggregate assessments of Drainage Taxes levied to pay principal on the Bonds exceeds the benefits assessed to the land in Unit 2C. However, since the principal amount of the Bonds may not exceed 90% of the benefits assessed, there is at least a 10% "cushion" between the maximum assessments authorized to be levied to pay principal and the maximum principal amount of the Bonds. If the 4% discount counts against the authorized amount of assessments, there would still be at least a 6% "cushion."

Florida law provides a method for prepayment of estimated taxes by installment. If this method is used, all taxes are payable at varying times prior to delinquency (as discussed in the following paragraph) and the taxpayer receives discounts ranging from 6% to zero. Prepayments of taxes are required to be invested by the tax collector, and such prepaid taxes and interest earnings thereon are allocated among the various taxing authorities and paid to them at the same time as taxes which were not prepaid.

All taxes become delinquent on April 1 following the tax year in which they are assessed or immediately after sixty days have expired from the mailing of the original tax notice, whichever is later. The Tax Collector is required to collect taxes prior to the date of delinquency and to institute statutory procedures

upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers results in a delay throughout the process.

In the event of a delinquency in the payment of taxes on real property, the tax collector is required to offer tax certificates on such property for sale to the person or entity who pays the delinquent taxes and interest and certain costs and charges relating thereto, and who accepts the lowest interest rate per annum to be borne by the certificates (which shall in no event be more than eighteen percent per annum). Delinquent taxes may be paid by a taxpayer prior to the date of sale of a tax certificate by the payment of such taxes, together with interest and all costs and charges relating thereto. Tax certificates are sold by public bid, and in case there are no bidders, the certificate is issued to the county in which the assessed lands are located, and the county, in such event, does not pay any consideration for such tax certificate. Under Florida Law, tax certificates may not be sold until at least sixty days after the taxes become delinquent. The tax collector does not collect any money from the county if the tax certificates are issued to the county. Proceeds from the sale of tax certificates are required to be used to pay taxes (including the Drainage Taxes, if applicable), interest, costs and charges on the land described in the certificate.

In the event a tax certificate is sold on property with delinquent Drainage Taxes, proceeds from the sale of the tax certificate will be sufficient to pay the delinquent Drainage Taxes as to that parcel. In the event that the Tax Collector is unable to sell a tax certificate, under Florida law, the District may possess a right to commence an independent action (similar to a judicial mortgage foreclosure) to foreclose the lien of the Drainage Taxes upon the affected land. Counsel to the District believes that while Florida law is unclear as to whether the District possesses such a right, a claim by the District on such a basis would not be without merit. However, no prediction can be made as to the likely outcome of any foreclosure action commenced by the District, and potential purchasers of the Series 2014 Bonds should not assume that the District has such an independent right of foreclosure.

While, as described above, upon the sale of a tax certificate delinquent taxes, including Drainage Taxes, are paid, the willingness of persons to purchase tax certificates may be affected by the rights inherent of ownership of a tax certificate. For that reason, the following discussion of the rights associated with ownership of a tax certificate is provided.

Tax certificates owned by a county may be purchased, and any tax certificate may be redeemed, in whole or in part, by any person or entity at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the tax certificate or portion thereof, together with all interest, costs, and charges due. The proceeds of such a redemption are paid to the tax collector who transmits to the holder of the certificate such proceeds less a service charge, and the certificate is cancelled.

After an initial period ending two years from April 1 of the year of issuance of a certificate, the holder of a certificate may apply for a tax deed to the subject land. Any holder, other than the county, of a tax certificate which has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. The applicant is required to pay to the tax collector all amounts required to redeem or purchase all outstanding tax certificates not held by the applicant covering the land, any omitted taxes or delinquent taxes, current taxes, and interest, if due, covering the land. If the county holds a tax certificate and has not succeeded in selling it, the county must apply for a tax deed two years after April 1 of the year of issuance. The county pays costs and fees to the tax collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale. Any outstanding certificates will be satisfied from the proceeds received at such public sale.

In any such public sale, the private holder of the tax certificate who is seeking a tax deed is deemed to submit a minimum bid established by statute. The opening bid on a privately held tax certificate on

non-homestead property includes, in addition to the amount of money paid to the tax collector by the certificate-holder at the time of application, the amount required to redeem the applicant's tax certificate and all other costs and fees paid by the applicant. The opening bid on county-held certificates on non-homestead property is the sum of the value of all outstanding certificates against the land, plus omitted years' taxes, delinquent taxes, interest, and all costs and fees paid by the county. The opening bid on property assessed on the latest tax roll as homestead property includes, in addition to the amount of money required for an opening bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bidders, the holder receives title to the land and the amounts paid for the certificate and in applying for a tax deed are credited towards the purchase price. If there are higher bidders, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate (and all other amounts paid by such holder in applying for a tax deed), plus interest, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholders of record, mortgagees of record, vendees of recorded contracts of deeds, and other lienholders and any other person to whom the land was assessed on the tax roll for the year in which the land was assessed, all as their interests may appear.

If there are no bidders at the public sale, the county may, at any time within ninety days from the date of offering for public sale, purchase the land for a statutorily prescribed minimum bid. After ninety days have passed, any person or governmental unit may purchase the land by paying the amount of the minimum bid. Three years from the date of offering for public sale, unsold lands escheat to the county, and all tax certificates and liens, including the lien of the Drainage Taxes, if applicable, against the property are cancelled.

The issuance of a tax deed, in general, has the effect of canceling liens against or upon the property that is the subject of the tax deed, except for certain liens in favor of municipal or county government, and except for certain restrictions and covenants limiting the use of property, the type, character and location of buildings, covenants against nuisances and the like. Issuance of a tax deed, therefore, has the effect of canceling mortgages upon the affected property. For this reason (to prevent cancellation of the mortgage), under certain circumstances mortgagees may pay delinquent taxes on property upon which they hold a mortgage, but there is no requirement that mortgagees do so.

Projected Tax and Assessment Information for Unit 2C

District Unit 2C Assessments. Proceeds of the Series 2014 Bonds are being deposited in Series 2014 Account of the Bond Fund in an amount calculated to be sufficient to pay the interest coming due on the Series 2014 Bonds from their date of issuance to and including February 1, 2017. In each year, beginning in 2016, the District will levy Drainage Taxes intended to be sufficient to pay the debt service on the Series 2014 Bonds coming due on August 1 of the following year and on February 1 of the second following year. Thus, for example, Drainage Taxes collected pursuant to the tax notices mailed in 2016 would generally be applied to pay debt service due on August 1, 2017 and February 1, 2018.

As noted above, KH Alton LLC has advised the District that it expects that ultimately all of the land in Unit 2C will have been platted and, where applicable, designated for Land Use Classification and Parcel Designation purposes in accordance with Table C above. It is also projected by KH Alton LLC that of the total acres in Unit 2C, portions will become Exempt Acres resulting in the acreage of Assessable Real Property set forth in Table D below. However, these are projections only and the actual figures will not be known until the Project and the development of Alton and Scripps Florida are complete. Based upon these assumptions and projections, the allocation of the Maximum Benefit, and thus debt service, is currently estimated to be as set forth in Table D. The following figures assume the Kolter Contribution has been made and are subject to change during the pricing of the Series 2014 Bonds.

TABLE D

<u>Tract Designation</u>	<u>Land Use Classification</u>	<u>Parcel Category</u>	<u>Assessable Real Property</u>	<u>% of Benefit and Drainage Taxes</u>	<u>Approximate Series 2014 Debt Service per Acre*</u>
Tract A	Biotech A	None	59.57 acres	13.43%	\$8,354
Tract B-1	Biotech B	None	32.50 acres	7.57	9,064
Tract B-2	Office	None	40.53 acres	10.45	9,553
Tract B-3	Hotel	None	2.00 acres	1.43	26,497
Tract C-1(a)	Single Family-Res.	Parcel C	44.94 acres	9.33	7,696
Tract C-1(b)	Townhome-Res.	Parcel C	12.06 acres	3.02	9,280
Tract C-2	Apartment	None	13.00 acres	2.48	7,082
Tract C-3	Commercial/Retail	None	40.67 acres	7.93	7,229
Tract D	Single Family-Res.	Parcel D	25.26 acres	5.04	7,396
Tract E	Single Family-Res.	Parcel E	43.00 acres	8.58	7,391
Tract F	Townhome-Res.	Parcel F	24.06 acres	7.08	10,903
Tract GH	Single Family-Res.	Parcel G	117.00 acres	22.94	7,266
Tract FPL	Utility	None	<u>5.00 acres</u>	0.33	2,428
			Total 459.59 acres		

It is expected that the District will issue one or more additional Series of Bonds to pay costs of the Project not financed with proceeds of the Series 2014 Bonds. Current projections are that these Bonds will be issued in 2017 and in the principal amount of approximately \$13,500,000. As of the date of this Official Statement, the District expects that, subject to market conditions at the time of issuance, the Series 2017 Bonds would also finally mature on August 1, 2046 and would be structured with level annual debt service. The additional debt service would be allocated in direct proportion to the table set forth above, resulting in increases in total debt service per acre proportionate to the overall increase in debt service.

Further information concerning the projected level of Drainage Taxes as it relates to the products expected to be developed and sold by KH Alton LLC within Alton is set forth herein under the caption "The Development." As of the date of this Official Statement, it is expected that all of the land in Tract A will be owned by the County for the foreseeable future, although as noted herein under "Scripps Florida" Scripps is obligated to pay the County any taxes or assessments, including the Drainage Taxes, so long as it is the lessee of Tract A. See "Scripps Florida."

District Unit 2A, Unit 2 and Other Assessments. The land in Unit 2C is contained within another much larger Unit of Development of the District known as Unit 2A. Unit 2A was formed in 2001 to facilitate the financing of area-wide drainage improvements undertaken by the District. The District has issued its outstanding Water Control and Improvement Refunding Bonds, Unit of Development No. 2A, Series 2013 (the "Unit 2A Bonds"), which are payable from special assessments levied upon the lands in Unit 2A, including the land in Unit 2C. The debt assessments with respect to the Unit 2A Bonds average approximately \$385,000 per year through August 1, 2033.

The Unit 2A debt assessments are allocated pro-rata on the basis of acreage, except that parcels of less than one acre are treated as a full acre and parcels of greater than one acre are rounded to the nearest whole acre (with fractions of exactly one-half being rounded up). The number of acres in a parcel after the rounding described in the previous sentence is sometimes referred to as the "computed acres." There are approximately 4,606 computed acres of assessable property within Unit 2A. As of the date hereof, approximately 683 of these "computed acres" are attributable to land in Unit 2C. As of the date of this Official

*Preliminary, subject to change.

Statement, the debt service assessment per year per computed acre for Unit 2A is approximately \$87. The District also levies a maintenance assessment with respect to Unit 2A, which as of the date of this Official Statement is approximately \$18 per computed acre.

The land in Unit 2C is also included in another much larger Unit of Development known as Unit 2. There is no debt associated with Unit 2, but the District levies an annual maintenance assessment on the land in Unit 2. The Unit 2 maintenance assessments are also allocated pro-rata on the basis of computed acres calculated in the same manner as described above with respect to Unit 2A. There are approximately 8,124 computed acres of assessable property within Unit 2. As of the date hereof, approximately 683 of these "computed acres" are attributable to land in Unit 2C. As of the date of this Official Statement, the maintenance assessment per year per computed acre for Unit 2 is approximately \$28.

As the land in Units 2 and 2A is further subdivided, the number of computed acres within Unit 2 and 2A will increase, but until land subdivision activity within Units 2 and 2A is completed, it is impossible to predict the actual number of computed acres that will ultimately exist. As the land in Unit 2C is platted and subdivided, this will increase the number of computed acres in both Unit 2 and Unit 2A and will decrease the assessments per computed acre. It will, however, increase the portion of the Unit 2 and Unit 2A assessments allocated to the land that is also in Unit 2C. It is likely that the percentage of the Unit 2 and Unit 2A assessments allocated to Unit 2C will increase materially as Alton is developed.

As noted herein under the caption "The District - Prior and Future Financings," while no indebtedness of the District other than the Bonds may be secured by the Drainage Taxes, the District may incur indebtedness secured by and/or payable partially or wholly from special assessments other than the Drainage Taxes, which special assessments could be levied upon all or any portion of the land in Unit 2C, in order to finance future undertakings of the District. Thus, special assessments imposed by the District upon lands in Unit 2C could increase in the future.

Taxes and Assessments of Other Taxing Authorities. The land in Unit 2C has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. Ad valorem taxes levied by other governmental entities upon lands within Unit 2C during the year 2013 were approximately \$21.80 per thousand dollars of assessed value of taxable property. These taxes would be payable in addition to any Drainage Taxes and other special assessments levied by the District. Thus, for example, in addition to the Drainage Taxes and maintenance assessments, the owner of property having an assessed value (after exemptions) of \$500,000 would have been subject to ad valorem taxes of approximately \$10,920 for 2013. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. However, exclusive of voter-approved millages levied for general obligation bonds, as to which no limit applies, Palm Beach County, the City of Palm Beach Gardens and The School District of Palm Beach County may each levy ad valorem taxes upon land in Unit 2C at rates not greater than \$10.00 per thousand dollars of assessed valuation. The approximate millages (exclusive of voted millages) levied in 2013 by Palm Beach County, the City and the School District were 4.78, 5.74 and 7.59, respectively. Other taxing entities that have jurisdiction over the land in Unit 2C may be subject to no legal tax rate limitation or to different tax rate limitations. Therefore, it is possible that in future years the taxes levied by these other entities could be substantially higher than in 2013.

Data Related to Assessed Value of Land in Unit 2C

According to the Palm Beach County Property Appraiser's preliminary property assessments for 2014, as of January 1, 2014, the land in Unit 2C was comprised of seventeen separate parcels having an aggregate assessed value of \$63,845,790. Under Florida law, the property appraiser is required to report the assessed valuation of taxable property as of January 1 of the year in question, and, therefore, the 2014 preliminary assessed valuations do not reflect any change in value or subdivision of the real property within Unit 2C after January 1, 2014. No representation can be made that the Property Appraiser's assessed valuation reflects the

fair market value of the taxable property in Unit 2C. **The District has not commissioned any appraisal of the value of the land in Unit 2C, and none of the District, Kolter nor the Underwriters makes any representation as to what that value might be.** See "Appraisals" herein.

Reserve Fund for Series 2014 Bonds

The Resolution requires the District to maintain a Series 2014 Account of the Reserve Fund funded in an amount which at all times is equal to the Reserve Fund Requirement, which is the lesser of (i) ten percent of the original stated principal amount of the Series 2014 Bonds, (ii) the maximum amount of principal and interest scheduled to become due on the Outstanding Series 2014 Bonds in the then current or any succeeding one year period ending on and including a February 1 or (iii) one hundred twenty-five percent of the average annual debt service on the Outstanding Series 2014 Bonds (calculated on a Bond Year basis at the time of issuance only). Amounts in the Series 2014 Account of the Reserve Fund may be used by the District only to pay principal and interest on the Series 2014 Bonds to the extent amounts otherwise available therefor in the Bond Fund are insufficient for such purpose.

If at any time the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement, the District has covenanted that such deficiency will be restored from the first Drainage Tax proceeds available therefore after all required current payments have been made into the Bond Fund, and the District shall, subject to the limitations set forth in the Act, levy Drainage Taxes sufficient to restore such deficiency at the earliest legal opportunity. If at any time there shall be a deficiency in more than one account in the Reserve Fund, funds available for deposit into the Reserve Fund shall be allocated among the accounts as to which the deficiency exists pro-rata, based upon the relative deficiencies among all such accounts.

As of the date of issuance of the Series 2014 Bonds, the amount on deposit in the Series 2014 Account of the Reserve Fund will equal \$ _____, the Reserve Fund Requirement for the Series 2014 Bonds.

Additional Bonds

After the issuance of the Series 2014 Bonds and receipt by the District of the currently estimated Kolter Contribution, and once all of the Parcel Benefit has been activated, additional Bonds (exclusive of refunding bonds as described above), will be authorized to be issued in the amount of \$37,987,800*. The District could also issue additional Bonds to refund any previously issued Bonds. The District anticipates issuing additional Bonds in order to pay the costs of completing the Project. Based upon information provided by Kolter, the District expects that this subsequent issuance will occur in 2017, although this is subject to change.

THE DISTRICT

General

The District is a water control district, which is an independent special district of the State of Florida, created by action of the Legislature of the State of Florida in 1959. Prior to June 17, 1995 the District was known as "Northern Palm Beach County Water Control District," but the District's name was changed by the Legislature of the State of Florida in order to more accurately reflect the purposes of the District.

As a special district, the District has only those powers specifically delegated to it by the Legislature, or necessarily implied from powers specifically delegated to it. Among the powers of the District are the powers to reclaim the lands within its boundaries for water control and water supply purposes and to protect the land within its boundaries from the effects of water by means of the construction and maintenance of canals, ditches, levees, dikes, pumping plants and other works and improvements. The District also is authorized to construct and operate water and sewer facilities, roads, parks and parkways. As of June, 2014,

*Preliminary, subject to change.

the District encompassed approximately 128 square miles of land in the northeastern portion of Palm Beach County.

Governance

The District is governed by a five-member Board of Supervisors (the "Board"). Each Supervisor holds office for a four-year term. Supervisors are elected in November of each even-numbered year for four year terms of office. The terms of offices of Supervisors are staggered, so that no more than three Supervisors are elected in any particular election. The Board meets monthly for the purpose of conducting the business of the District. The present members of the Board and their current terms of office are set forth below. The three members whose terms expire in 2014 are running unopposed for re-election in November, 2014, the deadline for filing for candidacy having expired.

<u>Name</u>	<u>Position</u>	<u>Term Began</u>	<u>Term Ends</u>
Adrian Salee	President	2008	2014
Matthew J. Boykin	Vice-President	2008	2016
L. Marc Cohn	Secretary	2010	2014
Garo Artinian	Treasurer	2011	2014
John Cohen	Supervisor	2012	2016

Administration

The District has 16 full time employees, including its Executive Director, Mr. O'Neal Bardin, Jr., who became Executive Director in February, 2003. Mr. Bardin has been employed by the District since 1987, and served as Deputy Director from December, 2000 until his appointment as Executive Director.

The law firm of Caldwell Pacetti Edwards Schoech & Viator LLP, West Palm Beach, Florida, is general counsel for the District, having served in that capacity since the District's creation in 1959. Mark E. Raymond became bond counsel to the District in January, 2010, although he has continuously served the District as bond counsel while in the employ of other law firms since 1987.

The Act provides that the District shall retain the services of a District Engineer who shall have control of the engineering work within the District and shall, among other things, file with certain Florida agencies a report outlining water control plans for the District and costs thereof. The District Engineer for the District is the firm of Arcadis US, Inc., which has served in that capacity since 2007.

Improvement Projects

Under the Act the District may undertake District-wide projects, and in addition the Act provides that the owners of a majority of the acreage within a particular geographical area of the District may petition the Board to designate that portion of the District as a unit of development wherein improvements may be implemented. The District has created over 66 such units of development, some of which are inactive or have been dissolved.

The District may impose special assessments upon land benefitted by projects of the District, and the District may issue bonds payable from such assessments. If bonds are issued to finance improvements within a unit of development, only the lands within that particular unit are subject to the levy and collection of special assessments for the payment of principal and interest on the bonds issued for that unit of development. Units of development may overlap; that is, the same land may be included in more than one unit of development. However, analytically and legally, each unit of development is a separate component of the District for the implementation and financing of District projects therein.

Prior to construction of any improvements pursuant to any project with respect to a unit of development, the District Engineer must prepare and the Board must approve a plan of improvements detailing such improvements. Notice is given to certain governmental entities and to affected landowners, following which there is an opportunity to be heard, and ultimately the Board may levy assessments. Further information concerning the process described in this paragraph is contained herein under the caption "Security for the Bonds - Assessment of Benefits and Levy of Drainage Taxes."

The District is responsible for the construction of all works to be undertaken pursuant to any plan of improvements, and for the maintenance of such works except in instances where improvements are conveyed to other governmental entities after completion. In addition to special assessments imposed to finance the completion of the improvements described in a plan of improvements, the District levies annual installments of maintenance taxes on the lands in each unit of development in proportion to the benefits assessed to each assessable parcel therein to pay for the ongoing maintenance of District improvements and administrative costs. There is no limit on the amount of such maintenance taxes.

The District is obligated to complete a water management plan once adopted, but the District is also authorized to amend an adopted plan of improvements. Amendments to the plan for any of the Units may be made without consent of the owners of any bonds. There are several alternative methods for amending a plan of improvements, but in no event may an amendment have the effect of reducing the amount of Drainage Taxes that could be levied with respect to any bonds.

Prior and Future Financings

The Annual Financial Report, including audited financial statements, of the District for the fiscal year ended September 30, 2013 is included herein as Appendix E. The Series 2014 Bonds are payable solely from the Drainage Taxes levied in Unit 2C, and not from any other source, and any financial information contained in Appendix E other than information concerning Unit 2C, may not bear upon the value or likelihood of repayment of the principal of and interest on the Series 2014 Bonds.

The District has previously issued bonds for projects in units of development in addition to Unit 2C and the District has borrowed money from various financial institutions to undertake capital projects and major maintenance projects. Although the District has not, as of the date of this Official Statement, ever been in default as to the payment of principal or interest on any indebtedness of the District, the District has encountered delinquencies in payment of special assessments pledged to secure bonds for certain units of development other than Unit 2C. Nonpayment of special assessments levied on property that is not in Unit 2C does not adversely affect the District's ability to make timely payment of principal and interest on the Series 2014 Bonds.

The District anticipates issuing bonds and/or incurring other forms of indebtedness to obtain funds to undertake other projects for units of development other than Unit 2C. The prior bond issues and debt and any future bonds issued or debt incurred for other units of development are not and will not in any manner be secured by the Drainage Taxes assessed and collected for the benefit of the Owners of the Series 2014 Bonds. However, such bonds and/or indebtedness could be payable from special assessments (other than the Drainage Taxes) levied by the District upon lands wholly or partially within Unit 2C.

The District has created Unit of Development No. 2A ("Unit 2A"), the boundaries of which encompass all of Unit 2C and contains approximately 1,800 acres of additional land not included in Unit 2C. The District has issued its Water Control and Improvement Refunding Bonds, Unit of Development No. 2A, Series 2013 (the "Unit 2A Bonds") in order to refinance indebtedness with respect to Unit 2A. Information regarding the portion of the assessments levied by the District upon land also included in Unit 2C in order to pay the debt service requirements for the Unit 2A Bond is set forth herein under the caption "Security for the Series 2014 Bonds- Projected Tax and Assessment Information for Unit 2C." The District may not issue any

additional bonds with respect to Unit 2A except to refund the Unit 2A Bonds or any subsequently issued refunding bonds.

UNIT OF DEVELOPMENT NO. 2C AND THE PROJECT

General

At the written request of the owners at that time of all of the land therein, Unit 2C was established by the Board pursuant to resolutions adopted on September 24, 2008 and October 22, 2008. Unit 2C consists of approximately 681.69 acres of land located in northeastern Palm Beach County, Florida, in the City of Palm Beach Gardens, Florida (the "City"). Maps and renderings that contain further information regarding the location of Unit 2C are included herein in Appendix C.

On March 26, 2014, the Board approved the Plan of Improvements and the Report of Engineer for Unit 2C. Implementation of the Plan of Improvements for Unit 2C (the "Project") will provide (i) roadways and related improvements including irrigation systems and lighting, (ii) pedestrian paths including lighting, (iii) potable water distribution and wastewater collection facilities, (iv) surface water management system including lakes, (v) environmental preserves, (vi) perimeter buffer walls and (vii) associated landscaping to serve the land in Unit 2C. The improvements described in the Plan are referred to as "Improvements."

A portion of the land in Unit 2C comprising approximately 606.69 acres is being developed as a mixed use planned development known as "Alton." Alton is planned to eventually include industrial, office, research and development, biotech, retail, hotel, apartment and residential uses. The developer of Alton is KH Alton LLC, although various special purpose entities ("SPE's"), which are all under 100% common control with KH Alton LLC, own portions of the land in Unit 2C along with land owned by KH Alton LLC (for convenience purposes only, these entities are interchangeably referred to herein, collectively, jointly and/or severally, as "Kolter").

Except as described in the two following paragraphs, substantially all of the land in Alton is owned by Kolter, although Kolter has sold approximately 13 acres to a buyer that is not related to Kolter. See "The Development" herein for further information.

Another portion of the land in Unit 2C, comprising approximately 70 acres and sometimes referred to herein as "Tract A," is owned by Palm Beach County, Florida (the "County"). The County has leased this land to The Scripps Research Institute ("Scripps") to be developed as a research and development/biotech park which is referred to herein as "Scripps Florida." See "Scripps Florida" herein for further information.

The remaining five acres of land in Unit 2C are owned by Florida Power & Light Company and are expected to house a power substation.

The Improvements

Description of Improvements. The following is a brief description of the various components of the Plan of Improvements:

Roadway - The roadway Improvements include off-site intersection and turn lane Improvements at the Project's roadway connections with the major arterial roadways on the northern and southern boundaries of Unit 2C. On-site roadway Improvements will include approximately 6.9 miles of two and four lane roadways with associated irrigation systems, on-street parking, bicycle lanes, landscaping, street lights and pedestrian walks and associated lighting. The off-site roadway Improvements will be owned by Palm Beach County. Certain of the on-site roadways will be owned by the City. The roadway Improvements that are not owned by the City or County will be owned by the District. All roadway Improvements included in the Plan of Improvements and financed with proceeds of the Series 2014 Bonds will be open to the general public (i.e.,

will not be "gated"). The roads that may be constructed in the portion of Unit 2C that is west of I-95 ("Tract GH") as part of the development of Alton are not included in the Plan of Improvements.

Water and Wastewater - The Improvements consist of water and sewer mains located within and outside of the boundaries of Unit 2C, which will interconnect with the existing potable water supply and wastewater collection and treatment system owned by Seacoast Utility Authority ("SUA"), a political subdivision and special district of the State of Florida. The water and wastewater Improvements have been designed to meet the requirements of SUA and the Florida Department of Environmental Protection ("FDEP"). These Improvements will be conveyed by the District to SUA and will be part of SUA's utility system.

Surface Water Management System - The surface water management system will be comprised of a series of interconnected lakes, conveyance systems, and control structures to collect, store, and discharge runoff through two approved off-site discharge locations. The surface water management system may include water quality enhancement features up to, and including aerators. The surface water management system was designed to meet the requirements of the South Florida Water Management District, Army Corps of Engineers, the District, the City and other regulatory agencies having jurisdiction.

Environmental Preserves - The Plan includes preservation and enhancement of approximately 7.50 acres of existing on-site wetland preserves and approximately 84 acres of upland preserves. The preservation and enhancement activities will include exotic plant removal and planting, littoral zone planting, and transitional zone planting associated with the overall surface water management system. Wetland and upland preserve area management will be the responsibility of the District when completed.

Perimeter Buffer Walls - Buffer walls along the frontage of Florida's Turnpike and I-95 adjacent to Tract GH are included in the Plan. The walls will be constructed within easements dedicated to the District and the walls will be owned and maintained by the District.

Permitting. Even though the District is a unit of government, it is nevertheless required to obtain approval from other governmental authorities prior to constructing any of the Improvements that it will be constructing. Permits for the construction of the Improvements to be financed with proceeds of the Series 2014 Bonds are required from one or more agencies, depending upon the particular improvements, consisting of some or all of: Florida Department of Environmental Protection, the City, the District, South Florida Water Management District, U.S. Army Corps of Engineers, the County, Florida Fish and Wildlife, SUA, Florida Department of Transportation and the Palm Beach County Health Department.

Although a number of permits required for the construction of the Improvements that the District plans to construct with proceeds of the Series 2014 Bonds have not been received, the District Engineer knows of no reason why any required permit will not be obtainable. **See, however, "Litigation-Permit Challenge" herein for important information concerning a pending legal challenge relating to permitting.**

A failure to obtain any required permit could prevent or substantially delay the completion of the Improvements described in the Plan, which could have a material and adverse effect upon the likelihood of payment of the Drainage Taxes that secure the Bonds and also upon the value of the Series 2014 Bonds.

Status of Project. As of the date of this Official Statement implementation of certain roadway Improvements has begun. These Improvements are being implemented by the District with funds advanced to it by KH Alton LLC. Under the terms of various agreements between the District and KH Alton LLC (collectively referred to herein as the "Developer's Agreement"), the District agreed that in the event KH Alton LLC advanced funds to the District for the implementation of Improvements and the District issued bonds, such as the Series 2014 Bonds, the District would repay such advances, dollar-for-dollar. Upon issuance of the Series 2014 Bonds, the District expects to reimburse KH Alton LLC for funds so advanced for actual

expenses incurred. After making such reimbursement, the District will use the remaining funds in the Project Fund to pay costs of the Project. As noted herein, KH Alton LLC is obligated to pay the costs of the Project not financed with proceeds of the Series 2014 Bonds.

As permitted by the terms of the Developer's Agreement, detailed plans for the construction of the Improvements described in the Plan have been and are being prepared by the District's project engineer working in conjunction with KH Alton LLC. The District Engineer reviews the plans for constructability, but the engineer that prepared and certified the plans has the ultimate responsibility for the engineering adequacy of the plans. All construction contract requests for bids and associated construction contracts related to the Improvements are let by the District in its name. All such contracts are advertised by the District for public bid or as provided by law, and are issued by the District in the name of the District as owner and ultimately are administered by the District. The District will cause all contractors (exceptions may be made for certain contracts with a cost of less than \$200,000.00) for installation of Improvements in Unit 2C to post payment and performance bonds to assure completion of the contract work. The Developer's Agreement prohibits KH Alton LLC or any affiliate from bidding on any District construction contract for the Plan of Improvements.

Project Cost and Funding. The table below summarizes the District Engineer's estimate of the cost of the components of the Plan of Improvements:

Roadways	\$29,812,649
Water and Wastewater Facilities	14,203,364
Surface Water Management System	10,185,265
Environmental Mitigation	720,000
Buffer Walls	<u>1,440,000</u>
Subtotal	\$56,361,278
Contingency (10%)	\$5,636,127
Engineering, Legal & Admin. (15%)	<u>8,454,193</u>
Total	\$70,451,598

None of the construction cost estimates are based upon binding agreements with contractors, and the cost of the Project could be more or less than the estimates. To the extent that the actual cost of the work exceeds the estimates, or the scope of work differs from that described in the plans or otherwise expected, the cost of the Project could increase or decrease.

The size of the Series 2014 Bond issue has been limited in order to reflect the scheduling of the development of the land in Unit 2C and the expenditure of Bond proceeds. Proceeds of the Series 2014 Bonds are not projected to be sufficient to complete the Project. It is anticipated that the District will issue additional Bonds in order to pay the costs of the Project that are not paid with proceeds of the Series 2014 Bonds. Current projections are that Bonds are expected to be issued in 2017 in the estimated principal amount of approximately \$13,500,000, although there is no assurance that such Bonds can or will be issued if circumstances, including applicable laws and market conditions, change after the date of the issuance of the Series 2014 Bonds. If such additional Bonds are not issued, the Project might not be completed. This could have a material and adverse effect upon likelihood of payment of the Drainage Taxes and the value of the Series 2014 Bonds.

The Developer's Agreement requires KH Alton LLC to pay any portion of the cost of the Project not funded with proceeds of the Series 2014 Bonds and additional Bonds. However, KH Alton LLC's obligation is an unsecured obligation of KH Alton LLC, and there is no assurance that KH Alton LLC would be able to or could be compelled to pay such costs. If KH Alton LLC were to fail to satisfy such obligation, the Project might not be completed. This could have a material and adverse effect upon the value of the Series 2014

Bonds. Although the term "Kolter" is being used in this Official Statement to refer to a group of special purpose entities which are managed by The Kolter Group LLC, it is very important to understand that many of the entities that are directly obligated in connection with the matters described herein, including in particular the entity obligated to the District pursuant to the Developer's Agreement (KH Alton LLC), are special purpose entities (SPE's) created for the sole purpose of developing Alton. Such SPE's and the other obligated entities may have limited resources. The Kolter Group LLC is not a party to the Developer's Agreement and does not directly own any of the land in Unit 2C. See "The Development" herein.

Unless funds are already available to the District, for example, through Series 2014 Bond proceeds, prior to entering into any construction or other contract for the completion of the Improvements, the District will require KH Alton LLC to provide financial assurance of the availability of funds sufficient to pay the amount of such contract. Typically the District would require this financial assurance to be in the form of cash or a standby letter of credit from an acceptable financial institution.

Sources and Uses of Funds

The table that follows summarizes the estimated sources and uses of proceeds of the Series 2014 Bonds:

Sources of Funds:

Series 2014 Bond Par Amount
Total Sources

Uses of Funds:

Deposit to Series 2014 Account of Project Fund
Deposit to Series 2014 Account of Reserve Fund(1)
Deposit to Series 2014 Account of Bond Fund (2)
Issuance Costs and Contingencies (3)
Total Uses

-
- (1) Deposit necessary to cause amount in such Account to equal the Reserve Fund Requirement.
 - (2) An amount sufficient to pay interest on the Series 2014 Bonds through February 1, 2017.
 - (3) Includes Underwriters' discount, financial advisory and legal fees and other issuance costs.

THE DEVELOPMENT

Distinction Between the Project and Alton

Although the implementation by the District of the Plan of Improvements will benefit the land in Unit 2C and facilitate its further development, the District is not responsible for completion of Alton. References in the Official Statement to the Project include only the "Improvements" described in the Plan of Improvements, and, conversely, references to Alton do not include the "Improvements" to be implemented by the District, but rather include only the other improvements to the land within Unit 2C to be undertaken by or at the direction of KH Alton LLC. No proceeds of the Series 2014 Bonds have been or will be expended on the construction of these other improvements and no part of Alton will directly secure payment of the Series 2014 Bonds, either by mortgage, pledge or otherwise (except that all Assessable Real Property within Unit 2C will be subject to the lien of the Drainage Taxes).

Among other factors, the successful or non-successful, as the case may be, development of Alton may have a significant impact upon payment of the Drainage Taxes, and therefore upon payment of the Series 2014 Bonds.

The materials and discussion contained herein with respect to Alton and Kolter are not intended as, and may not be construed as representations by the District or the Underwriters. Except to the limited extent provided in the Developer's Agreement, the District does not have the right to control the actions of Kolter.

The materials and discussion contained in this Official Statement, other than the information herein under the captions "The Development," "Litigation-Kolter" and "Litigation-Permit Challenge" and the specific information relating to Kolter and Alton in Appendix C and under "Owners' Risks" herein with respect to Alton and Kolter are not intended as, and may not be construed as representations by KH Alton LLC or Kolter. Further, and except to the limited extent provided in the Developer's Agreement, Kolter does not have the right to control the actions of the District.

The following information has been prepared with the assistance of, and has been reviewed and approved by KH Alton LLC. Certain of the following information is beyond the direct knowledge of the District, and while the District has taken steps to verify the accuracy and completeness of the following, and has no reason to believe that the following information is incorrect or incomplete, the District has no way of guaranteeing the accuracy of the following information contained herein under the captions "The Development" and "Litigation-Kolter." Therefore, the following is included in part in reliance upon the representation of KH Alton LLC to the effect that it has reviewed this Official Statement, and warrants and represents that the specific information herein under the captions "The Development," "Litigation-Kolter" and "Litigation-Permit Challenge," and the information relating to Kolter and Alton in Appendix C and under "Owners' Risks," does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. No person other than KH Alton LLC makes any representation or warranty as to the accuracy or completeness of such information.

Potential purchasers of the Series 2014 Bonds are advised that the Series 2014 Bonds are secured solely by the Trust Estate, and that the Series 2014 Bonds are not an obligation of, and are in no way guaranteed by The Kolter Group LLC, KH Alton LLC, Kolter or any of their respective affiliates or subsidiaries.

Kolter

General. The developer of Alton is KH Alton LLC, a Florida limited liability company. KH Alton LLC is managed by The Kolter Group LLC, a privately owned Florida limited liability company formed in 2009.

The Kolter Group LLC (collectively with its predecessors and affiliated entities, including KH Alton LLC, the "Kolter Companies") is a real estate development and investment firm headquartered in West Palm Beach, Florida. All key personnel associated with Alton are based in West Palm Beach, Florida. The Kolter Companies have four key areas of business, including three residential and one commercial business unit.

The following table is a brief description of the Kolter Companies' residential projects in which it developed lots and/or built homes. The unit counts in the table are based upon (i) build-out numbers for completed communities and (ii) current development plans of the Kolter Companies for ongoing development (based upon both current and projected entitlements), and, as such, all future projections are merely estimates that may be materially different at buildout of the communities.

Single Family & Townhome Communities

<u>Name</u>	<u>Location</u>	<u>Year Acquired</u>	<u># Units</u>	<u>Status</u>
PGA Village Verano	Port St. Lucie, FL	2003	7,500	Ongoing
Visions	Fort Pierce, FL	2006	2,460	Ongoing
PGA Village	Port St. Lucie, FL	1998	1,800	Complete
The Ponds	Charleston, SC	2013	1,587	Ongoing
Alton	Palm Beach Gardens, FL	2013	1,225	Ongoing
Woodfield CC	Boca Raton, FL	1993	1,250	Complete
Cresswind at Lake Lanier	Gainesville, GA	2010	862	Ongoing
Victoria Park & Victoria Gardens	DeLand, FL	2009	1,292	Ongoing
Verandah	Fort Myers, FL	2012	641	Ongoing
Vizcaya Falls	Port St. Lucie, FL	2007	451	Ongoing
Cresswind at Myrtle Beach	Myrtle Beach, SC	2012	393	Ongoing
Paloma	Palm Beach Gardens, FL	2007	344	Ongoing
Harbour Oaks	Palm Beach Gardens, FL	1999	317	Complete
Grande Oaks	Orlando, FL	2005	314	Ongoing
NatureWalk	Santa Rosa Beach, FL	2010	297	Ongoing
Canopy Creek	Palm City, FL	2006	289	Ongoing
Tres Belle	Stuart, FL	2007	165	Ongoing
Falls of Jensen Beach	Jensen Beach, FL	2010	105	Ongoing
Spanish River	Boca Raton, FL	2005	75	Ongoing
The Oaks	Hobe Sound, FL	2007	75	Complete
River Glen	Stuart, FL	2013	72	Ongoing
Savannah Estates	Stuart, FL	2008	50	Complete
Gardenia Isles	Palm Beach Gardens, FL	2013	21	Ongoing
Lost River	Stuart, FL	2008	21	Complete
Creekside	Stuart, FL	2011	19	Complete

Condominiums

San Matera	Palm Beach Gardens, FL	1999	676	Complete
Riviera	Toronto, ON	1999	517	Complete
Two City Plaza	West Palm Beach, FL	2002	467	Complete
Water Club I	Toronto, ON	2001	459	Complete
Water Club II	Toronto, ON	2001	431	Complete
One City Plaza	West Palm Beach, FL	2001	350	Complete
Evergreen Lakes	Coconut Creek, FL	1999	320	Complete
Water Club III	Toronto, ON	2001	296	Complete
One	St. Petersburg, FL	2014	243	Ongoing
Water Club North Palm Beach	North Palm Beach, FL	2004	168	Ongoing
VUE Sarasota Bay	Sarasota, FL	2005	144	Ongoing
Water Club on Snell Isle	St. Petersburg, FL	2006	95	Ongoing
Water Club Long Boat Key	Longboat Key, FL	1997	86	Complete
4001 North Ocean	Gulf Stream, FL	2010	39	Complete

Multifamily

San Merano	Palm Beach Gardens, FL	2002	476	Complete
Andros Isle	West Palm Beach, FL	1998	300	Complete
Wellington Club	Lake Worth, FL	2007	204	Complete

Total Residential Units Completed	8,248
Total Residential Units Ongoing	18,648
Total Residential Units	26,369
Total Palm Beach County Units	5,912

Land Development

Kolter Land Partners - 18 Projects in Process	Various	2008+	5000+	Ongoing
Kolter Land Partners - 14 Completed Projects	Various	2008+	1,900+	Complete

Alton and the Plan of Development

Location and General Description. Alton is located on approximately 606.69 acres of land in the City. The site is bounded on the West by the Florida Turnpike, on the North by Donald Ross Road, on the South by Hood Road and on the East by several existing developments which themselves abut Central Boulevard to the East. The site is divided by Interstate 95 which runs from south-east to north-west across the western portion of the site.

Alton is planned to be a mixed use planned development eventually including industrial, office, research and development, biotech, retail, hotel, apartment and residential uses. KH Alton LLC currently

projects that Alton will include approximately 867 single family residences, 358 townhome residences, 375 apartment units, a 300-room hotel, 450,000 square feet of retail space, 1,000,000 square feet of industrial/research/biotech space and 1,200,000 square feet of office space. Alton is also currently expected to include approximately 136 acres of lakes, parks, preserves and open space in addition to multiple amenities, including a recreation center, fitness center, clubhouse, multi-purpose fields, intermodal transit stop, wireless access and security. Approximately 206 acres of the site are located west of I-95 and are sometimes referred to herein as "Tract GH" or "Parcel G." It is expected that Parcel G will consist entirely of luxury, gated, single family residences, while both residential and non-residential uses will be located on the portion of the site lying east of I-95. A master plan for Alton is included in Appendix C. References in this section "The Development" to "Tracts" or "Parcels" are references to the tracts and parcels identified on the site plan. The table below summarizes certain aspects of Alton, and is preliminary and subject to change.

<u>Tract Designation</u>	<u>Expected Land Use</u>	<u>Expected Acres of Assessable Real Property</u>	<u>Current Owner</u>	<u>Development Plan of Owner</u>	<u>Value/Price Information</u>	<u>Series 2014 Debt Service per Acre</u>
Tract A	1.6mm SF Biotech	59.57 acres	Palm Beach County	Unknown	See "Appraisals"	\$8,354
Tract B-1	1mm SF Biotech	32.50 acres	Kolter	Sell land	See "Appraisals"	9,064
Tract B-2	1.2mm SF Office	40.53 acres	Kolter	Sell land		9,553
Tract B-3	300 room Hotel	2.00 acres	Kolter	Sell or build		26,497
Tract C-1(a)	217 units Single Family-Res.	44.94 acres	Kolter	Develop/Build		7,696
Tract C-1(b)	143 units Townhome-Res.	12.06 acres	Kolter	Develop/Build		9,280
Tract C-2	375 unit Apartment	13.00 acres	Villas at Briger LLC	Build	\$13,525,000 sale price	7,082
Tract C-3	450,000 SF Commercial/Retail	40.67 acres	Kolter	Sell land/under contract	see "Commercial Land Uses" below	7,229
Tract D	123 units Single Family-Res.	25.26 acres	Kolter	Sell/ Develop/Build		7,396
Tract E	191 units Single Family-Res.	43.00 acres	Kolter	Sell/ Develop/Build		7,391
Tract F	215 units Townhome-Res.	24.06 acres	Kolter	Sell/ Develop/Build		7,266
Tract GH	336 units Single Family-Res.	117.00 acres	Kolter	Sell/ Develop/Build		2,428

Site Acquisition. In December 2013, Kolter acquired the land that is the site of Alton from an unrelated third party for a price of \$127,500,000. See "Project Financing" below.

Prior to contracting to purchase the land in Unit 2C, Kolter Acquisitions, LLC (one of the Kolter Companies) was provided with an Environmental Site Assessment addressing the condition of the land in Unit 2C. KH Alton LLC is unaware of any material condition which currently requires, or is reasonably expected to require in the foreseeable future, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment. Nevertheless, it is possible that hazardous environmental conditions could exist within Unit 2C and that such conditions could have a material and adverse impact upon the value of the Series 2014 Bonds.

The Development Order. Under federal and State of Florida law, the undertaking of land development such as Alton is subject to regulation by various federal, state and local agencies, including, but not

necessarily limited to, Palm Beach County, the City, the South Florida Water Management District, the United States Army Corps of Engineers, the Florida Department of Environmental Protection, Florida Fish & Wildlife and others. Each of these entities has or could have jurisdiction over various aspects of Alton and satisfaction of applicable rules and regulations of such entities is a prerequisite to the lawful undertaking and completion of Alton.

Under the laws of the State of Florida, a "Development of Regional Impact" is any development which, because of its character, magnitude or location, would have a substantial effect on the health, safety or welfare of citizens of more than one county. Developments of regional impact ("DRI") are subject to a more comprehensive development review process and are subject to more comprehensive guidelines and standards than apply to developments that are not DRI's. Prior to undertaking any development, a developer that is required to undergo development of regional impact review must file an application for development approval with the appropriate local government having jurisdiction. At the same time, the developer is required to send copies of the application to the appropriate regional planning agency and also the state land planning agency. In determining whether to approve the application for development approval, the local government agency is required to consider the comments of the regional planning agency and state planning agency. The approval of an application for a DRI is referred to as a "development order." A development order approving a DRI will impose certain conditions and standards for the development, which are binding upon both the local government agency and the developer. A development order does not constitute the sole approval required for the development of land. Rather, a development order provides a broad framework within which development may occur. That is, even after obtaining a development order, a developer is still required to obtain subsequent approvals from various governmental agencies having jurisdiction, including, for example, detailed subdivision and site plan approvals. Construction within a development that is the subject of a development order is required to comply with generally applicable building and zoning requirements as well. Thus, while failure to comply with the terms of a development order can result in an inability to proceed with a particular development, compliance with a development order does not, in and of itself, assure that the development will be permitted to proceed.

The Application for Development Approval with respect to the land included in Unit 2C (both the land being developed as Alton and as Scripps Florida) was filed with the City in 2009, and after considering the comments of the Treasure Coast Regional Planning Council and other interested parties, the City adopted Resolution 80, 2009 (the "Development Order") approving the "Scripps Florida-Phase II/Briger Tract Development of Regional Impact" (herein referred to as the "Development"). It is to be noted that the Development includes both Alton and Scripps Florida, a subject that will be discussed further below. As used in this discussion of the Development Order, the term "Developer" refers to the County and KH Alton LLC, jointly, because that is consistent with the provisions of the Development Order. Some of the major provisions of the Development Order are described below.

The Development Order approves the Development for the following uses, subject to certain conditions described below:

2,700 residential dwelling units;

500,000 square feet of retail space;

2,600,000 square feet of industrial/research and development/biotech space;

1,200,000 square feet of office space;

300 hotel rooms.

Included in Appendix C are certain maps and renderings, including a master plan for the Development. The master plan is incorporated into the Development Order (as "Map H"), subject to allowance for certain statutorily-defined insubstantial deviations therefrom. For example, changes in internal roadway alignments that do not affect external access points may be modified, provided such reconfiguration does not impact or reduce any preservation/conservation areas or wetlands. Such insubstantial changes are subject to the approval of the City, but are not subject to the more heightened DRI substantial deviation review.

The Development Order places limitations upon the issuance of building permits for the Development which are tied to the generation of traffic by the Development. At various stages of the development of the Development, no further building permits for the Development are to be issued by the City unless certain required roadway improvements have been constructed or provided for and unless certain payments have been made to Palm Beach County. Certain of these roadway improvements are included in the Plan of Improvements and are intended to be constructed with proceeds of the Series 2014 Bonds and the anticipated additional Bonds for Unit 2C, and others will be constructed by Palm Beach County or the State of Florida.

If the proceeds of the Series 2014 Bonds are insufficient to complete the Improvements, and if any additional Bonds are not issued or the proceeds are also insufficient, Kolter would be required to find alternate means for paying the cost of the Improvements that are described in the Plan of Improvements for Unit 2C. If for any reason the required Improvements are not constructed as required, this could result in the City refusing to issue additional building permits for the Development until the Improvements are constructed, which would have a material and adverse effect upon the development of the Development, and could have a material and adverse effect upon the value of the Series 2014 Bonds.

As noted above, certain of the necessary roadway improvements are not included in the Plan of Improvements. These Improvements are the subject of an agreement (the "Proportionate Share Agreement," or "PSA") among the City, the County, KH Alton LLC and other parties. The PSA governs the responsibility for, among other things, payments by the County, as the owner of the Scripps Florida portion of the Development, on the one hand, and KH Alton LLC, as the developer of Alton, on the other hand. These payments aggregate \$22,206,099 (subject to indexing as provided in the PSA). The County's share of these payments is \$4,498,956 and KH Alton LLC's share is \$17,707,143. Pursuant to the PSA, the County has prepaid its entire payment obligation under the PSA.

Payments under the PSA coincide in due date and amount with the requirements of the Development Order. The first required payment by KH Alton LLC is in the amount of \$350,779 (subject to indexing as provided in the PSA), and is due before any building permit for vertical construction will be issued for Alton. Future payments under the Development Order and PSA are due when the Development is resulting in specified levels of traffic impacts to roadways outside the Development measured based upon "external peak-hour trips." While it is not possible to predict the pace of development of the Development with certainty, KH Alton LLC's projections indicate that the next installment payment (the "Phase II Threshold Payment") under the Development Order and PSA will not be due until at least 2017. KH Alton LLC's share of this payment is expected to be approximately \$4,000,000 (subject to indexing as provided in the PSA). There are two subsequent traffic based milestones, at which KH Alton LLC would be required to make additional payments. The first of these is not expected to be due until at least 2022. KH Alton LLC will also receive credits against the otherwise-required payments for certain traffic impact fees collected by Palm Beach County as the Development proceeds, so the ultimate payments by KH Alton LLC could be significantly reduced or eliminated altogether.

The Development Order contains numerous other conditions, including, but not limited to:

* Upland and wetland and environmentally sensitive/harmful species identification, preservation, enhancement, removal and mitigation requirements;

* Development of a plan for hazardous waste management, which must be approved by the City prior to the issuance of any non-residential building permit;

* Air quality monitoring and control;

* Alton must include 142 workforce housing units or, as an alternative at least 142 accessory apartments on a minimum of 142 single-family and/or townhome lots;

* Prior to the commencement of any activity that would trigger the Phase II Threshold Payment, the Developer must obtain confirmation for the City that adequate fire and police protection services are available;

* The Developer is required to provide at least 103 acres of land for the purpose of recreational and open space purposes, in accordance with a recreation facilities plan approved by the City;

* The Development Order requires the Developer to file an biennial report every other April 1. (The reports due in 2012 and 2014 were timely filed.)

Under the terms of the Development Order, if the Developer fails to commence construction by February 25, 2018, the development approval terminates. Although "construction" as defined in the Development Order has not occurred, it is anticipated that "construction" will have begun during 2014, satisfying this requirement of the Development Order.

The Development Order is scheduled to expire November 20, 2040, which is prior to the final maturity of the Series 2014 Bonds, subject to earlier termination under the terms of the Development Order. If the Development Order expires, the areas of the Development which have not received site plan approval shall become subject to rezoning by the City, and potentially might not be susceptible of being lawfully developed as contemplated in the Development Order and as described herein.

The foregoing is only a summary of certain of the major provisions of the Development Order. There are conditions to the Development Order that are not summarized herein. Any failure by the Developer to comply with the requirements of the Development Order could result in an inability of the Developer to complete the Development. Likewise, any such failure could have a material and adverse effect upon the value of the Series 2014 Bonds. Neither the District nor the Owners of the Series 2014 Bonds have any ability to control the activities of the Developer vis a vis the Development Order. Likewise, to some extent neither Kolter nor the County have any control over the activities of each other with respect to the Development Order, and a violation by one of the foregoing could have an adverse effect upon the other.

Zoning/Platting/Permitting. Under federal and State of Florida law, the undertaking of land development (whether or not a DRI) is subject to regulation by various federal, state and local agencies, in the case of Alton including, but not necessarily limited to, the City, the South Florida Water Management District, the United States Army Corp of Engineers, the Florida Department of Environmental Protection, Florida Fish & Wildlife, the Florida Department of Transportation, Seacoast Utility Authority and others. Each of these entities has jurisdiction over various aspects of Alton and satisfaction of various rules and regulations of such entities is a pre-requisite to the lawful undertaking and completion of Alton.

The City has enacted zoning ordinances which regulate the qualitative and quantitative development of land. In order to proceed with Alton, in 2010 the then-owner of the land that now comprises Alton obtained various approvals from the City, including the establishment of mixed use planned community development ("PCD") zoning. The PCD zoning, which is established pursuant to a resolution of the City (the "PCD Zoning"), specifies certain development standards and conditions which govern the method by which development of Alton may proceed. The PCD entitles KH Alton LLC to proceed to develop Alton within

certain parameters and subject to certain conditions. In addition to other requirements, in addition to the Development Order, KH Alton LLC is required to obtain "site plan" approval from the City and also building permits from the City prior to proceeding with development of various components of Alton.

KH Alton LLC has applied to the City for site plan approval of a portion of Parcel C-1. The Development Order and PCD allow for, and the proposed site plan for Parcel C-1 includes, 143 townhome units and 217 single family units, which will constitute the first neighborhood to be developed in Alton. KH Alton LLC received site plan approval from the City on June 10, 2014. See Appendix C for a copy of the site plan.

Prior to commencing construction of the remaining improvements in Alton, KH Alton LLC will be required to apply for and to obtain site plan approval therefor from the City. Site plan approval is subject to certain discretion of the City, but in general, provided that KH Alton LLC and the site plan comply with the Development Order, PCD zoning and other pre-existing requirements of the City, approval is likely.

KH Alton LLC expects that the initial plat of the land in Unit 2C will be completed, approved by all necessary parties and recorded in the Public Records of Palm Beach County in November, 2014. A working draft of the plat, current as of August 29, 2014, which sets forth currently expected land use designations for purposes of the Report of Engineer, and which is subject to further revision, is reproduced in Appendix C.

The initial permits required for the commencement of development of Alton have been received. However, not all permits required for the completion of Alton have been obtained, and some have not been applied for due to timing considerations. The issuance or non-issuance of these permits will be controlled by the applicable law, the provisions of the Development Order and PCD and applicable building codes. KH Alton LLC has advised the District that to the best of its knowledge no permit which will be required for development to proceed as described herein cannot be obtained in due course. **See "Litigation-Permit Challenge" herein for important information concerning a pending legal challenge relating to permitting.**

In September 2013, a law firm representing several environmental organizations sent a letter (the "USACE Permit Letter") threatening to sue the United States Army Corps of Engineers "USACE") and the United States Fish and Wildlife Service under the Endangered Species Act for a faulty biological opinion supporting a USACE Section 404 Clean Water Act Permit. This letter was publicized in the Palm Beach Post and other South Florida media outlets. The specific challenge was regarding U.S. Fish and Wildlife Service's Biological Opinion regarding the potential presence (or lack thereof) of the Eastern Indigo Snake within Unit 2C. The U.S. Army Corps permit allows the filling of certain wetlands in the Unit 2C. The U.S. Fish and Wildlife biological opinion was filed in connection with the issuance of this permit. No permit challenge was filed to this permit. No lawsuit has been filed pursuant to the USACE Permit Letter, and it is not known if a lawsuit ever will be filed. However, KH Alton LLC believes the likelihood of an unfavorable outcome in the event a lawsuit is filed is low.

Deed Restriction. The land in Tract B is subject to a complex deed restriction which limits its use to generally the same uses that are contained in the DRI. However, while the DRI could conceivably be amended by the current landowner, with appropriate governmental approvals, the deed restriction may not be released without the consent of private parties that are not under the control of Kolter. In general, the land may only be used for biomedical and other scientific research purposes. The deed restriction will expire in February, 2026. However, if Scripps were to abandon its operations in Palm Beach County before February, 2021 it would expire upon such abandonment.

Project Financing. As noted above, Kolter acquired the Alton site from the former owner in December, 2013 for \$127,500,000. A portion of the purchase price was seller-financed through a purchase

money financing in which the former owner loaned Kolter \$102,500,000, evidenced by a promissory note secured by a mortgage (the "PPM") on a portion of the Alton site. As of the date of this Official Statement, the PPM encumbers all of the land in Alton owned by Kolter, except for the land the is encumbered by the A&D Mortgage described below. The terms of the promissory note require principal payments of approximately \$20,500,000 annually commencing March, 2015 (reduced by any amount paid for the release of land from the PPM in the prior year), and the note matures in March, 2019. Under the terms of the PPM, Kolter may obtain a release of land, in minimum increments of 10 acres, for a price of \$230,320.00 per acre.

KH Alton LLC has obtained partial funding for the purchase and development of Alton via a non-revolving reducing line of credit from a commercial bank. The line of credit permits aggregate advances of up to \$16,900,000 under certain conditions and is secured by a mortgage ("A&D Mortgage") on a portion of Alton site. The A&D Mortgage encumbers approximately the south ½ of Tract C-1 (comprising approximately 32 acres) as well as certain land that is expected to become Exempt Acres by virtue of the construction thereon of roadways and lakes pursuant to the Plan of Improvements. The A&D Mortgage obligates the mortgagee to release certain property from the lien of the mortgage so that it may be conveyed to the District free of the mortgage lien in order to facilitate construction of Improvements thereon by the District. The line of credit matures in December, 2016, subject to extension for one year at the option of KH Alton LLC provided certain conditions are met. In addition, at the discretion of the lender, the availability under the line of credit may be increased up to a total of \$39,230,000 upon terms to be established at the discretion of the lender. The outstanding balance on the line of credit is \$8,650,000. Unless the line of credit is re-negotiated, a principal payment in the amount of \$6,000,000 will be due in June, 2015 at which time availability under the line will also decrease to \$10,900,000.

The mortgagees under both the PPM and the A&D Mortgage have acknowledged the imposition of the Drainage Taxes by the District.

KH Alton's Financing Plan. KH Alton LLC expects that the cost to complete Alton will be serviced with a combination of bank financing, project revenues and additional equity. The District has no financial information regarding the financial status of KH Alton LLC or its ability to obtain any financing it may need to complete Alton as planned.

Residential Product Offerings. KH Alton LLC currently expects that Alton will contain a wide array of product types. KH Alton LLC currently expects that there will be approximately 867 single family homes and 358 townhomes. The single family homes are expected to be comprised of approximately 20 basic model types (with numerous structural and non-structural options), ranging in size from approximately 2,000 square feet to approximately 6,000 square feet and with projected initial base prices ranging from approximately \$600,000 to \$1,600,000 (in 2014 dollars). Single family lots are currently expected to have 40', 55' or 65' of street frontage. No residential lot in Alton is expected to exceed 0.50 acres in size (although this expectation is not binding and KH Alton LLC's plans could change). The townhomes are projected to be approximately 2,700 square feet in size and are projected to have initial base prices ranging from approximately \$400,000 to \$600,000.

The table below sets forth the current projected product mix, subject to change.

	<u>TH</u>	<u>40'lot</u>	<u>55'lot</u>	<u>65'lot</u>	<u>Total</u>
Parcel C	143	189	28	–	360
Parcel D	–	109	14	–	123
Parcel E	–	140	51	–	191
Parcel F	215	–	–	–	215
Parcel G	–	–	–	336	336
Total	358	438	93	336	1,225

Commercial Land Uses. KH Alton LLC's current expectation for the development of the non-residential portions of Alton (projected to be comprised of Tract B and Tracts C-2 and C-3) is that Kolter will sell the land to unrelated third parties for development.

In January, 2014, Grandiflora Multifamily Investments LLC (one of the Kolter Companies) sold a 13 acre parcel (Tract C-2) to an unrelated third party for \$13,525,000. KH Alton LLC expects that Tract C-2 will be developed as an approximately 375 unit apartment complex. Kolter has also entered into a contract (the "Tract C-3 Contract") with another unrelated third-party for the sale of a portion of Tract C-3, comprising approximately 28.23 acres for \$22,750,000. Kolter received a deposit in the amount of \$1,500,000 from the contract purchaser of such portion of Tract C-3 and KH Alton LLC expects the closing of the sale to occur in March, 2015. The Tract C-3 Contract also provides the contract purchaser with an option to purchase the remaining approximately 12.57 acres of Tract C-3 for \$7,250,000. If the option is exercised by the contract purchaser, the sale of the 12.57 acres is expected to occur in January, 2016; however, the contract purchaser may extend the closing date to January, 2017 by making a payment of \$553,000. KH Alton LLC expects that Tract C-3 will be developed as a 342,860 square foot (or 450,000 square foot if the option is exercised) retail shopping center.

Kolter has also contracted to sell five acres of Tract B-1 to a third party for \$5,750,000. Kolter has received a refundable deposit in the amount of \$100,000, and closing is scheduled for February, 2015. Assuming that this transaction proceeds to closing, Kolter expects that the purchaser will develop this property as an assisted living facility.

Projected Drainage Tax Levels. Based upon the information set forth herein under "Security for the Series 2014 Bonds," plans for the development of Alton, and inclusive of the estimated debt service for the anticipated Series 2017 Bonds as discussed herein, set forth below are KH Alton LLC's projections of the estimated level of Drainage Taxes to be borne by residential and commercial landowners in Alton upon completion of Alton.

Product	Annual Drainage Tax Assessment*
Parcel C Homes (per unit)	\$3,520
Parcel C Townhomes (per unit)	1,467
Parcel D Residential (per unit)	2,265
Parcel E Residential (per unit)	2,347
Parcel F Townhomes (per unit)	1,485
Parcel G Residential (per unit)	2,812
Apartments (per units)	315
Retail (per acres)	9,275
Hotel (per room)	227
Scripps Biotech (per acres)	10,719
Other Biotech (per acres)	11,629
Office (per acres)	12,257
Utility (per acres)	3,115

*Preliminary, subject to change.

Status, Phasing and Absorption. Construction activity within Alton has not begun. KH Alton LLC currently plans that the residential development in Alton will be completed in phases. The first phase is projected to consist of the 360 residences to be constructed in Parcel C-1 as described above. KH Alton LLC

anticipates the opening of a sales office, nine single family home models and one townhome model in the spring of 2015.

The following absorption chart illustrates, in part, the current projected phasing of Alton. This chart was prepared by KH Alton LLC based upon its current expectations and forecasts. Consequently, these estimates are speculative in nature, and there is no guarantee future sales or absorption will be consistent with the chart.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Residential Absorption	-	43	139	204	203	223	221	192	1,225
Commercial Sales									
Apartments (Acres)	13	-	-	-	-	-	-	-	13
Retail (Acres)	-	30	-	10	-	-	-	-	40
Hotel (Keys)	-	-	150	150	-	-	-	-	300
Biotech & Office (Acres)	-	-	20	19	19	19	13	-	90

Property Owner's /Homeowners' Associations. A master property owner's association ("POA") has been formed for Alton that will include all residential and non residential private property within Alton. The POA will have the power to regulate certain aspects of the activities of the landowners in Alton. Membership in the POA will be mandatory, and KH Alton LLC currently projects that the dues will initially be approximately \$720 per year per residential unit and \$3,000 per acre for commercial.

KH Alton LLC currently expects that there will also be separate homeowner's associations with respect to each of the residential neighborhoods within Alton, each of which will impose dues. Membership in the homeowner's associations will be mandatory, and the dues will vary depending upon the location and nature of the residential unit. As of the date hereof, KH Alton LLC has not yet projected the estimated amounts of the homeowner's association dues.

Marketing. KH Alton LLC anticipates that its marketing activities will include many conventional forms of marketing and advertising, including print, outdoor, digital/web-based, newspaper and direct mail advertisements.

Miscellaneous Information. Alton is located within an area of Palm Beach County which has already been intensely developed. Therefore, ancillary services such as public and private schools, shopping, transportation and medical care are already in place and readily accessible to potential residents of Alton.

SCRIPPS FLORIDA

General. Palm Beach County acquired approximately 70 acres of land that is now in Unit 2C in 2006 for a price of approximately \$16,000,000. This land is the land that is referred to as Tract A in the Master Plan included in Appendix C and elsewhere in this Official Statement. In 2012, the County leased the land to The Scripps Research Institute ("Scripps") for a period ending in February, 2021. Under the lease (the "Scripps Lease") terms, Scripps pays the County nominal rent of a dollar per year, and at the expiration of the lease term, provided Scripps is in compliance with the lease terms and the terms of grant agreement between the County and Scripps, the County will give Scripps the land. The Scripps Lease is a "triple-net" lease, under which Scripps agrees to pay, among other things, all taxes and assessments imposed upon the land that is the subject of the lease. Thus, during the term of the Scripps Lease, the County anticipates that Scripps will pay the Drainage Taxes. If Scripps were to fail to do so, the County could pay the Drainage Taxes, and upon failure to do so the tax collection procedures described herein would apply (by statute and case law, the lien

of Drainage Taxes is enforceable against County-owned property to the same extent as privately owned property).

Based upon the assumptions described elsewhere herein, annual Drainage Taxes imposed upon Tract A with respect to the Series 2014 Bonds are expected to be approximately \$497,648*.

Deed Restriction. The deed by which the County acquired the land in Tract A contains a complex restriction on the land uses. In general, the land may only be used for biomedical and other scientific research purposes. The deed restriction will expire under certain conditions, and although the expiration date is variable, the restriction could be in place until 2031. However, the uses permitted by the restriction are consistent with the limitation on use contained in the Development Order. Even if the deed restriction were to be removed from Tract A, it would still be subject to the conditions of the DRI.

Until February, 2021, the land in Tract A may only be used by Scripps (still only for biomedical and scientific purposes). This restriction may under certain circumstances be extended to February, 2026.

Under certain conditions, the original seller of the land to the County would have the right to re-acquire portions of the land, with or without consideration, depending upon the circumstances. One condition that would activate the re-acquisition right would be if Scripps were to abandon its operations in Palm Beach County prior to February, 2021.

Neither the County nor Scripps Florida has participated in the preparation of this Official Statement, and the District has no information concerning Scripps, its operations, financial condition or plans for the land in Tract A.

APPRAISALS

Heights Biotech Investments LLC (one of the Kolter entities) commissioned value appraisals of the land in Tract A (the "Tract A Appraisal") and Tract B (the "Tract B Appraisal," and jointly with the Tract A Appraisal, the "Appraisals"). The Appraisals are included herein as Appendices H and I.

The District did not commission the Appraisals and none of the District, the Underwriters or Kolter makes any representation regarding the accuracy of the conclusions reached in the Appraisals. The Appraisals were prepared by J. Kenneth Parrish, MAI, SRA, a State of Florida certified General Real Estate Appraiser, and the Appraisals and references thereto are included herein in reliance upon Mr. Parrish as an expert in the field of real estate appraisals. Mr. Parrish has consented to inclusion of the Appraisals and references thereto herein.

The Tract A Appraisal concludes that as of May 5, 2014, the "as is" market value of the fee simple title to the 70 acres of land in Tract A, unencumbered by the Scripps Lease, is \$43,200,000. The Tract B Appraisal concludes that as of May 5, 2014, the "as is" market value of the fee simple title to the approximately 96 acres of land in Tract B was \$63,500,000.

OWNERS' RISKS

THE PROSPECTIVE INVESTOR SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY ONE OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL AND/OR INTEREST ON THE SERIES 2014 BONDS. The Series 2014 Bonds may not be an appropriate investment for all potential investors. The following is a summary of certain risks

*Preliminary, subject to change.

known to the District to be inherent in a purchase of the Series 2014 Bonds. The risks associated with the Series 2014 Bonds are described further in this Official Statement, which must be read in its entirety.

1. **Concentration of Land Ownership.** There is a concentration of ownership of the land in Unit 2C among a very small number of landowners (four, if the combined Kolter land-owning entities are considered as one). Kolter owns approximately 87% of the land within Unit 2C, and the County owns approximately 10.26% of the land within Unit 2C. Non-payment of Drainage Taxes by an owner of land in Unit 2C would have a greater impact upon the District's ability to pay debt service on the Series 2014 Bonds than would be the case if there was more diversification of land ownership. The District has only limited information about Kolter and no information about its financial status. See "Security for the Series 2014 Bonds" herein.

2. **Drainage Taxes are Non-recourse.** The Series 2014 Bonds are payable from the Drainage Taxes. Drainage Taxes are not a personal obligation of the owner of the land subject thereto, but are instead an imposition upon the land subject to the Drainage Taxes. The ultimate, and only, recourse for payment of Drainage Taxes is an action against the land. If proceedings against the land, including the statutory tax collection procedures described herein, do not result in the collection of funds sufficient to pay delinquent Drainage Taxes, the landowner may not be compelled to pay the deficiency. Therefore the likelihood of collection of the Drainage Taxes may ultimately depend upon the market value of the land subject to taxation. While the ability of a landowner to pay Drainage Taxes is a relevant factor, the willingness of a landowner to pay the taxes, which may be affected by the value of the land subject to taxation, is also an important factor in the collection of Drainage Taxes. There is no necessary correlation between the assessed benefits to the property in Unit 2C, which is determined for the purpose of determining the maximum amount of Bonds that can be issued, and the fair market value thereof. The District has commissioned no appraisal of the value of the real property in Unit 2C. The District makes no representation concerning the suitability of the land in Alton for development for any particular purpose.

3. **Other Taxes.** All County, City, school district, and special district taxes and non-ad valorem assessments (including and in addition to the Drainage Taxes levied by the District) are levied and collected by the Tax Collector are payable at the same time. The District has no control over the amount of taxes or assessments levied by entities other than the District. The amount of such taxes and assessments may adversely affect the ability and/or willingness of a landowner to pay such taxes and assessments (including the Drainage Taxes) and may adversely affect the marketability of tax sale certificates.

4. **Lack of Market for Tax Certificates.** The Drainage Taxes become due and payable on November 1 of the year in which they are assessed (or as soon thereafter upon satisfaction of certain statutory requirements by the tax collector) and become delinquent on the following April 1 or following sixty (60) days after the mailing of the original notice, whichever is later. The collection of delinquent taxes or assessments on real property, including Drainage Taxes, is based to a large degree on the sale of "tax certificates". Tax certificates are sold at public auction to the purchaser who pays the delinquent taxes or assessments, interest and certain costs and charges relating thereto, and who bids the lowest interest rate per annum which shall not exceed eighteen percent (18%) per annum. Proceeds from the sale of tax certificates are required to be used to pay delinquent taxes (including delinquent Drainage Taxes), interest, costs and other charges. Under Florida Law, tax certificates may not be sold until at least sixty days after the taxes become delinquent. There can be no assurances given that there will be any future purchasers of tax certificates.

The collection of delinquent taxes, including Drainage Taxes, upon real property is based upon the sale by the tax collector of "tax certificates" and remittance of the proceeds of such sale to the various governmental entities levying taxes for the payment of the taxes due. The demand for tax certificates is dependent upon various factors, including the interest which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which, as described herein, may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the land in

Unit 2C may affect the demand for such certificates and therefore the successful collection of the Drainage Taxes which are the source of payment of the Series 2014 Bonds.

Because the purchase price of a tax certificate includes all the taxes levied on the pertinent parcel, and because certificates are only issued for a full parcel, it may be more difficult to sell certificates for large parcels of land because the number of purchasers who are willing or able to pay the amount necessary to purchase such certificates may be smaller compared to the number for smaller parcels. As of January, 2014, the taxable land in Unit 2C consisted of seventeen parcels ranging from less than one acre to over 210 acres in size. Projected Drainage Taxes and ad valorem taxes on these parcels could range as high as approximately \$1,137,000 if no further subdivision of land occurs in Unit 2C. The inability of the tax collector to sell a tax certificate with respect to a single large parcel of land within Unit 2C could have a substantial and adverse effect on the District's ability to pay debt service on the Series 2014 Bonds.

5. **Tax Certificates Might Not Be Sold.** In the event there are no bidders, tax certificates are issued to the County at the maximum rate of interest allowed (presently 18%). **The tax collector does not collect any money from the County if the tax certificates are issued to the County.** County-held tax certificates, which are not previously purchased or redeemed, must be held by the County for a period ending two (2) years from April 1 of the year of issuance. After the expiration of the two (2) year period, the property will be offered for sale, as described under "Security for the Series 2014 Bonds-Tax Collection Procedure" herein. There are many procedures that must be followed by the tax collector before the property can be offered for sale. Such procedures include proper notices, collection of certain fees and charges, and establishing an opening bid for the property. Failure to comply with any of the procedures or receive the statutory (opening bid) could result in delays or a complete inability of the tax collector to collect the delinquent taxes. If the property is not sold within three (3) years from the date it was first offered for public sale, the land escheats to the County and all tax certificates and liens against the property are canceled. If a sufficient amount of land within Unit 2C were to escheat to the County, the District would be unable to pay debt service on the Series 2014 Bonds.

6. **Tax Assessments May Be Contested.** Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non ad valorem assessments such as the Drainage Taxes, and there are judicial decisions that support both views. Under the procedure, a taxpayer may bring suit to contest a "tax assessment" if the taxpayer pays the amount of "tax" which the taxpayer admits to be owing. Upon making such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If the procedure applies to non ad valorem assessments such as the Drainage Taxes, then it is possible that as a result of a challenge to such assessments, the collection procedures described herein could be held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Drainage Taxes which could have a material and adverse effect upon the ability of the District to timely pay debt service on the Series 2014 Bonds.

7. **The District Could Fail to Levy Drainage Taxes.** The District is required to comply with statutory procedures in levying Drainage Taxes. Failure of the District to follow these procedures could result in the Drainage Taxes not being levied. See "Security for the Series 2014 Bonds" herein.

8. **There are Bankruptcy Risks.** The payment of the annual Drainage Taxes and the ability of the tax collector to collect unpaid taxes, including Drainage Taxes, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights. Bankruptcy proceedings may cause the Drainage Tax lien to be extinguished, and bankruptcy of a property owner could also result in a delay by the tax collector in enforcing the collection of the Drainage Taxes as described herein. Such delay would increase the likelihood of a delay or default in payment of principal of and interest on the Series 2014 Bonds. Owners of the Series 2014 Bonds may not be recognized as creditors of any owner of land that has become a debtor in a bankruptcy proceeding (instead, the District would be the creditor).

9. **The Development Might Not Succeed.** There is no assurance that Alton will be successfully developed as planned by KH Alton LLC. A slowdown of the process of development of the land within Unit 2C could adversely affect land values and reduce the ability or desire of the property owners to pay the annual Drainage Taxes. There can be no assurance that land development operations within Unit 2C will not be adversely affected by a future deterioration of the real estate market and economic conditions or future local, state and federal governmental policies relating to real estate development, the income tax treatment of real property ownership or the national economy. A failure of KH Alton LLC to comply with the Development Order or any other governmental restriction relevant to the Development could materially and adversely affect the completion of the Development, which could materially and adversely affect the value of and the prospects for the timely payment of the principal of and interest on the Series 2014 Bonds. **See "Litigation-Permit Challenge" herein for important information concerning a pending legal challenge relating to permitting.**

10. **The Reserve Fund May Not Be Adequate.** Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Drainage Taxes, may not affect the timely payment of debt service on the Series 2014 Bonds because of the Reserve Fund established by the District for the Series 2014 Bonds. The ability of the Reserve Fund to fund deficiencies caused by delinquent Drainage Taxes is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Reserve Fund are invested in certain obligations permitted under the Resolution. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Reserve Fund to make up deficiencies.

11. **There May Not Be a Resale Market for the Series 2014 Bonds.** No assurance can be given that a market will exist for the resale of the Series 2014 Bonds. Because of general market conditions, or because of adverse or economic prospects connected with a particular bond issue, secondary marketing practices in connection with a particular issue may be suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

12. **Tax Laws May Change.** Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. Certain of these proposals, if implemented, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2014 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become law, and if so, what effect such proposals could have upon the value of bonds such as the Series 2014 Bonds cannot be predicted, however, it is possible that any such law could have a material and adverse effect upon the value of the Series 2014 Bonds. The Resolution does not provide for any adjustment to the interest rates borne by the Series 2014 Bonds in the event of a change in the tax-exempt status of the Series 2014 Bonds.

13. **Lack of Information Regarding Alton.** The District may have incomplete information concerning Alton. For example, the District has limited information concerning the condition of the land in Alton, its suitability for future development and its value. Furthermore, the District has no information regarding the financial status of any landowner in Unit 2C. The District has no financial information concerning Kolter, including KH Alton LLC's ability to obtain any financing it may need in order to complete Alton as planned.

14. **Environmental Issues.** The value of the land within Unit 2C, the success of Alton and the likelihood of timely payment of principal and interest on the Series 2014 Bonds could be affected by environmental factors with respect to the land in Unit 2C. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in Unit 2C, which could materially and adversely affect the success of Alton and the likelihood of the timely payment of the Series 2014 Bonds. The District has not

performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within Unit 2C. See "The Development- Alton and the Plan of Development -Site Acquisition."

15. **The Project Might Not Be Completed.** Completion of the Project is dependent upon factors outside the control of the District. These factors include the requirement for permits from various governmental agencies and the need for additional funding whether through the issuance of additional Bonds or payments by KH Alton LLC. Failure to obtain any required permit or to obtain any necessary financing could materially and adversely affect the completion of the Project, which could materially and adversely affect the value of and the prospects for the timely payment of the principal of and interest on the Series 2014 Bonds. The description of the Development herein is only a summary of certain of the major provisions of the Development Order and the other governmental regulations applicable to the Development. There are conditions to the Development Order and provisions of governmental regulations applicable to the Development that are not summarized herein. Any failure by KH Alton LLC to comply with the requirements of the Development Order or these regulations could result in an inability of Kolter to proceed with the Development. Likewise, any such failure could have a material and adverse effect upon the value of the Series 2014 Bonds. Neither the District nor the Owners of the Series 2014 Bonds have any ability to control the activities of the Kolter vis-a-vis the Development Order or such regulations. **See "Litigation-Permit Challenge" herein for important information concerning a pending legal challenge relating to permitting.**

16. **The Designation of Land Use Classifications and Activation of Parcel Benefit Might Not Proceed as Planned.** The imposition of the Drainage Taxes at the levels projected herein is dependent upon the designation of Land Use Classifications and the activation of Parcel Benefit as described herein. To some extent this is beyond the control of the District. If the designation and activation does not proceed as projected herein, this could materially alter the manner in which the Drainage Taxes are allocated, which could materially and adversely affect the value of and the prospects for the timely payment of the principal of and interest on the Series 2014 Bonds.

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SCHEDULE OF DEBT SERVICE REQUIREMENTS

The following schedule shows the debt service requirements for the Series 2014 Bonds:

Twelve Months <u>Ending August 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
Total			

REMEDIES IN THE EVENT OF DEFAULT

In the event that the District defaults in the payment of the Series 2014 Bonds or fails to fulfill any other covenant or condition required of it or imposed upon it by the Resolution, any Owner seeking redress must act on its own to remedy such default. The Trustee acts under the Resolution solely as the custodian of amounts on deposit in certain funds and accounts held by the Trustee. The Trustee is not required or authorized by the Resolution to take any action in event of such a default, whether at the direction of the District or the Owners or on its own volition. Owners taking such action will have to bear the costs and difficulties of such action, as well as the risks that conflicting claims may be brought by individual Owners and that the first court judgment on any such claim may bind all subsequent claims and judgments.

Upon default in payment of the Series 2014 Bonds, Owners seeking redress may be entitled by applicable law to sue on the debt represented by the Series 2014 Bonds. In addition, the District may under Florida law, by suit, action or mandamus, be compelled to perform the duties required by the Act or to enforce and apply taxes for the payment of the Series 2014 Bonds. Further, Owners may be entitled to apply to a court of competent jurisdiction for the appointment of a receiver for the District.

The Resolution does not contain an express contractual right to accelerate the debt represented by the Bonds upon default and it is unclear whether Florida law provides such a right of acceleration. The Owners may have to sue under Florida law each time that debt service comes due and is unpaid. Even if a right of acceleration is provided by Florida law, however, such acceleration would not assure the availability of funds for the payment of the Series 2014 Bonds.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Bonds, and the treatment of the interest thereon for federal income tax purposes, are subject to the approval of Mark E. Raymond, Esq., Palm Beach Gardens, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Caldwell Pacetti Edwards Schoech & Viator LLP, West Palm Beach, Florida. Certain legal matters will be passed upon for the Underwriters by their counsel, Greenberg Traurig, P.A., Orlando, Florida and for KH Alton LLC by its counsel, Gunster, Yoakley & Stewart, P.A., West Palm Beach, Florida.

Counsel for the District, Bond Counsel, and counsel for the Underwriters will receive fees for their services rendered with respect to the issuance of the Series 2014 Bonds, which fees are contingent upon the issuance of the Series 2014 Bonds.

LITIGATION

The District. In the opinion of Caldwell Pacetti Edwards Schoech & Viator LLP, counsel to the District, except as described below under "Permit Challenge" there is no litigation or other proceeding pending in the 15th Judicial Circuit in and for Palm Beach County, Florida or the United States District Court for the Southern District of Florida, or to the knowledge of said counsel, pending or threatened, in any court or other tribunal, state or federal, (i) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of any of the Series 2014 Bonds, or (ii) in any way questioning or affecting the validity of any provision of the Series 2014 Bonds, the Resolution, the Trustee Agreement or the Bond Purchase Agreement between the District and the Underwriter, or (iii) in any way questioning or affecting the validity of any of the proceedings or authority for the issuance, authorization, sale, execution or delivery of the Series 2014 Bonds, or of any provision, program, or transaction made or authorized for their payment, or (iv) questioning or affecting the organization or existence of the District or the incumbency of any of its officers to their respective offices, or (v) questioning or affecting the validity of the levying of the Drainage Taxes or the pledge thereof in favor of the Owners of the Series 2014 Bonds.

Kolter. KH Alton LLC has advised the District that except as described below under "Permit Challenge" there is no litigation or other proceeding pending, or to the knowledge of KH Alton LLC, except with respect to the "USACE Permit Letter," threatened, in any court or other tribunal, whether state or federal, against or affecting Alton or Kolter in which an adverse decision would materially and adversely affect the ability of KH Alton LLC to complete Alton as described herein and to fulfill the other obligations of KH Alton LLC as described herein.

Permit Challenge. One of the principal permits necessary for the construction of the Improvements and the completion of the Project and Development is an "Environmental Resource Permit" ("ERP") from

South Florida Water Management District ("SFWMD"). An ERP regulates activities in, on or over wetlands or other surface waters, and the management and storage of all surface waters within the boundaries of the geographical area subject to the ERP.

In 2010, SFWMD indicated its intent to issue a conceptual ERP (the "Original Permit") approving a surface water management system with respect to the land within Unit 2C. Before the Original Permit became final, various persons challenged the legality of the issuance of the Original Permit through an administrative proceeding ("2010 Challenge") before the State of Florida Division of Administrative Hearings ("DOAH"). At the conclusion of the proceedings, an Administrative Law Judge issued a final order (the "2010 Final Order") recommending that SFWMD proceed to issue the Original Permit, and finding that the challengers did not have legal standing to bring the 2010 Challenge. Following the recommendations in the 2010 Final Order, SFWMD issued the Original Permit in January, 2011. No further judicial or DOAH appeals of the 2010 Final Order or the Original Permit were filed.

In November and December, 2013, the District and certain landowners in Unit 2C applied to SFWMD for the first series of construction permits pursuant to the Original Permit. This application included a request for a minor modification of the Original Permit to allow for a modification of the surface water management system that will serve a portion of Unit 2C. In April, 2014, SFWMD provided notice that it intended to issue construction permits for 88.14 acres of construction, including portions of the spine roads and surface water management system, and for modification of the surface water management system to serve 58.11 acres of residential development (these two construction permits are jointly referred to as the "2014 Original Agency Action"). SFWMD also provided notice of intent to issue three water use permits which would allow for use of surface water in Unit 2C for various purposes. The three water use permits are collectively referred to herein as the "Water Use Permits," and, collectively with the 2014 Original Agency Action, are referred to as the "2014 Permits."

In April, 2014, one of the parties involved in the 2010 Challenge filed a petition with SFWMD challenging the legality of the 2014 Permits. Following a series of procedural activity, including the joining of new challengers, various motions to dismiss, amendments to the petition, and several rulings by SFWMD, in July and August, 2014 SFWMD issued a series of orders which dismissed all of the challengers' arguments against the 2014 Original Agency Action and Water User Permits and found that the petitioners lacked standing to challenge the 2014 Original Agency Action. In addition, SFWMD issued all of the 2014 Permits (the July and August, 2014 orders by SFWMD and the issuance of the 2014 Permits being referred to as the "2014 Final Order").

In September, 2014, an individual petitioner (the "Appellant") filed a Notice of Appeal (the "Notice") in Florida's Fourth District Court of Appeal ("4th DCA") challenging (the "Challenge") the legality of the 2014 Final Order. The Notice is not required to, and does not, state with any specificity precisely which aspects of the 2014 Final Order or of the 2014 Permits are being challenged. In general, the 4th DCA could render a decision that denies all or any portion of the Challenge, reverses some or all aspects of the SFWMD proceedings subject to the Challenge, remands the matter back to SFWMD for further consideration and/or orders SFWMD to refer the matter to DOAH for an administrative hearing before an Administrative Law Judge. There is no time-frame within which the 4th DCA must issue its decision and it is therefore impossible to predict when a final resolution of the Challenge will be achieved.

At the time of the filing of the Notice, the District had already issued a Preliminary Official Statement (the "Withdrawn POS"), dated September 2, 2014, with respect to the Series 2014 Bonds. The District determined to withdraw the Withdrawn POS in order to allow for a considered review of the pending Challenge and the ramifications to the proposed issuance. The District requested, and has received, analysis and opinions from special legal counsel to Kolter and litigation counsel to the District regarding the merits and ramifications of the Challenge with respect to the Project and Alton.

Appendix J hereto includes copies of the forms of the opinions (the "Litigation Opinions") that Gunster, Yoakley & Stewart, P.A., counsel to Kolter, and Ciklin Lubitz Martens & O'Connell, special litigation counsel to the District (jointly, "Litigation Counsel"), propose to render at the time of issuance of the Series 2014 Bonds. Prospective investors in the Series 2014 Bonds are encouraged to review the Litigation Opinions in their entirety to obtain a more complete understanding of the Challenge. The following is a brief general summary of the conclusions set forth in the opinions:

1. It is more likely than not that the 4th DCA will affirm the 2014 Permits and the matter will not be reversed or referred to DOAH. Unless and until the matter is reversed or referred to DOAH, the 2014 Permits are valid and construction may proceed thereunder unless the applicant seeks and the SFWMD or 4th DCA issues a stay of the 2014 Permits.

2. If Appellant's Challenge is successful, the 4th DCA could take action that would result in DOAH beginning an administrative proceeding to consider the propriety of the issuance of the 2014 Permits. If the matter is reversed or is referred to DOAH, construction under the 2014 Permits must cease and may only resume upon a final resolution of the matter that upholds the 2014 Permits. However, at any time the District and Kolter together could abandon the 2014 Permits, thus terminating the Challenge at which time the District and/or Kolter could apply for new construction permits under the Original Permit (without seeking modification of the Original Permit).

3. While Litigation Counsel feels strongly that the 4th DCA will affirm the 2014 Permits, if in the unlikely circumstance that the 4th DCA does overturn SFWMD's action, Litigation Counsel believes that it is more likely than not that Appellant would not prevail in the challenge of the 2014 Permits. In addition to other reasons discussed more fully in the Litigation Opinions, Litigation Counsel believes that the only viable issue remaining in the 2014 Permits is the challenge to the Hazardous Waste Condition, and the submission of a Hazardous Waste Management Plan is not currently required by the 2014 Original Agency Action.

4. The pending Challenge does not and will not have any impact on the finality and validity of the Original Permit. Regardless of the outcome of the Challenge of the 2014 Permits, as long as the Original Permit does not expire, it is final and non-appealable, remains valid and may be relied upon by the District for purposes of completing the Improvements authorized by the Plan of Improvements. The Original Permit is currently valid until August, 2016. However, under the rules of SFWMD, when an application for a construction permit has been filed the Original Permit remains valid during the entire application process, including during any challenge of such a construction permit. Once a construction permit becomes final, the conceptual permit remains valid for another two years until the next construction permit application is filed or until an extension of the two years is requested. Any future SFWMD construction permits that are applied for shall continue to extend the validity of the Original Permit.

5. Regardless of the outcome of the Challenge, the District will ultimately be able to obtain construction permits from SFWMD for the Improvements authorized by the Plan of Improvements, either in reliance on the 2014 Permits or through new construction permits that could be applied for under the Original Permit. No changes to the Plan of Improvements will be required as a result of the Challenge to the 2014 Permits because the Plan of Improvements is based upon the prior and now non-appealable Original Permit.

Based upon and in reliance upon the Litigation Opinions, the District has determined to proceed with the issuance of the Series 2014 Bonds. During the pendency of the Challenge, the District will utilize proceeds of the Series 2014 Bonds to pay costs of the Improvements. Pending expenditure, at least 95% of the proceeds of the Series 2014 Bonds other than (i) proceeds in the Reserve Fund, (ii) proceeds in a bona fide debt service fund and (iii) proceeds held for not more than thirty days pending re-investment or expenditure on debt service, will be invested in obligations the interest on which is excluded from gross income for federal income tax purposes and which are not specified private activity bonds.

If, after commencement of work on the Improvements, the Challenge results in the 2014 Original Agency Action not being valid for further construction of the Improvements, work thereon will cease and the District will apply to SFWMD for construction permits pursuant to the Original Permit. In this event, while it is impossible to predict with certainty, based upon past experience the District and Kolter believe three to six months is a reasonable estimate of the time period from application for such new construction permits to permit issuance by SFWMD. However, if all of the Improvements authorized by the 2014 Permits are fully completed before a determination of invalidity of the 2014 Permits, there would be no requirement that the Improvements thereafter be modified, and the Challenge would become moot as to the 2014 Permits. If the 2014 Permits become invalid prior to the completion of such Improvements, the District and Kolter believe that any constructed Improvements could be modified to comply with the Original Permit without materially increasing the cost of the Project and without materially affecting the plans for development of Alton.

In reliance upon the Litigation Opinions, (i) the District believes that it will ultimately be able to complete the Improvements and that its ability to levy the Drainage Taxes will not be impaired as a result of the Challenge and (ii) the District and Kolter believe that the only negative impact with any realistic potential of occurrence that the Challenge could have upon the Project and Alton is delaying the completion thereof. However, (i) the Litigation Opinions are not a guarantee of a particular result, and if the opinions expressed therein and/or expectations of the District and Kolter based thereon are ultimately proven to be incorrect, or (ii) if any delay resultant from the Challenge is significant, either circumstance could have a material and adverse effect upon the likelihood of the timely repayment of the principal of and interest on the Series 2014 Bonds and/or the value thereof.

VALIDATION

On June 16, 2014, the Circuit Court of the Fifteenth Judicial Circuit of Florida, in and for Palm Beach County, entered an Order validating the bonds. The time for filing an appeal from such judgment expired with no appeal having been filed.

TAX EXEMPTION

The Internal Revenue Code of 1986, as amended (the "Code"), provides that the interest on state and local governmental bonds will not be included in the gross income for federal income tax purposes of the owner thereof only if certain requirements are met, some of which must be met on a continuing basis, subsequent to the issuance and delivery of such bonds. Although the District has covenanted to comply with such requirements, noncompliance with such requirements could cause the interest on the Series 2014 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2014 Bonds regardless of the date on which such noncompliance occurs or is ascertained. Those requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2014 Bonds and other amounts are to be invested and which require that certain investment earnings on the foregoing be rebated on a periodical basis to the Treasury Department of the United States.

The ability of Bond Counsel to deliver his final approving opinion in substantially the form attached hereto as Appendix F on the date of issuance of the Series 2014 Bonds is subject to his review and analysis as of the date of issuance of certain matters, including, among others, pertinent provisions of statutes, regulations, rulings and court decisions, including, but not necessarily limited to, Florida law and federal income tax then in effect or proposed to be in effect. Bond Counsel has advised the District and the Underwriters that, subject to his review and analysis of certain assumptions, he expects to be able to issue on the closing date an opinion substantially in the form attached hereto as Appendix F.

In the opinion of Mark E. Raymond, Esq., Palm Beach Gardens, Florida, Bond Counsel, under existing law, and assuming continuing compliance with the aforementioned covenants, interest on the Series 2014 Bonds is excluded from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations.

The Series 2014 Bonds maturing in the years _____ are being offered and sold in the initial public offering at an original issue discount ("OID"). OID is the difference between the stated redemption price at maturity (generally the face amount of the Series 2014 Bonds) and the "issue price" of the Series 2014 Bonds. The "issue price" of each maturity of the Series 2014 Bonds is the respective initial offering prices to the public at which prices a substantial amount of such maturity of the Series 2014 Bonds was sold. OID represents interest which is excluded from gross income for federal income tax purposes and which may result in the collateral federal tax consequences described below. OID will accrue over the term of such Series 2014 Bonds at a constant interest rate compounded semi-annually. The portion of OID that accrues during the time an Owner owns a Series 2014 Bond constitutes interest excludable from gross income for federal income tax purposes and will increase such purchaser's adjusted basis in such Series 2014 Bonds for purposes of determining taxable gain or loss on the sale or other disposition of such Series 2014 Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Series 2014 Bonds which are not purchased in the initial offering at the initial offering prices may be determined according to rules which differ from those described above. Holders of Series 2014 Bonds should consult their own tax advisors as to the precise federal income tax and state and local tax consequences of owning and disposing of Series 2014 Bonds.

The Series 2014 Bonds maturing in the years _____ are being offered and sold in the initial public offering at a premium (the "Premium Bonds"). Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of the bonds, like the Premium Bonds, the interest on which is excluded from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(a)(2) of the Code. Proceeds received from the sale, exchange, or other disposition including redemption of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as tax-exempt interest. The basis of an original purchaser of a Premium Bond who holds such Premium Bond to maturity will have a basis equal to the principal amount of the Premium Bond and therefore will have no loss upon receipt of such principal amount.

Except as stated above in this section, Bond Counsel expresses no opinion as to any other tax consequences of acquiring, carrying, owning or disposing of the Series 2014 Bonds.

The law upon which Bond Counsel will base his opinion is subject to change by the Congress and the Department of the Treasury and to subsequent judicial and administrative interpretation. There can be no assurance that such law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of ownership of the Series 2014 Bonds.

Prospective purchasers of the Series 2014 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and S corporations with passive investment income which includes tax exempt income. Interest on the Series 2014 Bonds is taken into account

in determining adjusted current earnings for purposes of calculating the alternative minimum taxable income of certain corporations. Prospective purchasers falling within any of these categories should consult their own tax advisors as to the applicability of these consequences.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2014 Bonds or otherwise prevent holders of the Series 2014 Bonds from realizing the full benefit of the tax exemption of interest on the Series 2014 Bonds. Further, such proposals may impact the marketability or market value of the Series 2014 Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of obligations such as the Series 2014 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2014 Bonds would be impacted thereby.

Potential purchasers of the Series 2014 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2014 Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

LACK OF BOND RATINGS

No application has been made to any rating agency for a rating of the Series 2014 Bonds, nor is there any reason to believe that the District would have been successful in obtaining an investment grade rating for the Series 2014 Bonds had application been made.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the District has agreed that, so long as any of the Series 2014 Bonds remain outstanding, it will, in accordance with the provisions of, and to the degree necessary to comply with, the secondary market disclosure requirements of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), file with the MSRB (hereinafter defined) in an electronic format and with such identifying information as prescribed by the MSRB:

(1) the following annual financial information and operating data (the "Annual Information"), commencing with the Fiscal Year ending September 30, 2014:

(i) Updates of the financial information and operating data of the type set forth in this Official Statement, including updates of the historical assessment levy and collection rates and assessed valuation data, in a form which is generally consistent with the presentation of such information in this Official Statement; and

(ii) Audited financial statements with respect to the District utilizing generally accepted accounting principles to local governments.

The information in clauses (i) and (ii) above will be available for each Fiscal Year on or prior to the next September 30 following the end of such Fiscal Year, and will be made available, in addition to the

MSRB, to each beneficial owner of the Series 2014 Bonds who requests such information in writing. The financial statements referred to in clause (ii) above may be available separately from the information in clause (i) above and will be provided by the District as soon as practical after acceptance of such statements from the auditors by the District; if not available within one year after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available;

(2) in a timely manner not in excess of ten (10) Business Days after the event, notice of occurrence of any of the following events with respect to the Series 2014 Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2014 Bonds, or other material events affecting the tax status of the Series 2014 Bonds;

- (vii) modifications to rights of holders of the Series 2014 Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasance;
- (x) release, substitution or sale of any property securing repayment of the Series 2014 Bonds, if material;

- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar proceeding of the District. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District;

- (xiii) mergers, consolidations, or acquisitions of the District, the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- (xiv) appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(3) in a timely manner, to the MSRB, notice of its failure to provide the Annual Information with respect to itself on or prior to September 30 following the end of the preceding Fiscal Year.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

The foregoing covenants shall run to the benefit of the Owners and the beneficial owners of Series 2014 Bonds owned in book-entry format. However, failure to meet the covenants described herein shall not be deemed to constitute an event of default or a breach of any other covenant under the Resolution, and the sole remedy for such a default or breach shall be as described in the next paragraph.

Any Owner or any beneficial owner may either at law or in equity, by suit, action, mandamus or other proceeding in any court or competent jurisdiction, protect and enforce any and all rights granted or contained in the District's continuing disclosure undertaking and may enforce any compel the performance of all duties required thereby to be performed by the District or by any officers thereof.

Notwithstanding any other provision of the Resolution, the District's continuing disclosure undertaking may be amended only as follows: (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or the type of business conducted by the District; (b) the provisions of the District's continuing disclosure undertaking, as amended, would have complied with the requirements of Rule 15c2-12 of the Securities and Exchange Commission as in effect as of the date of issuance of the Series 2014 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially impair the interest of the Owners and/or beneficial owners as determined by an opinion of nationally recognized bond counsel delivered to the District, or by approving vote of the Owners or beneficial owners of a majority in principal amount of the Outstanding Series 2014 Bonds at the time of the amendment. In the event of any amendment to the continuing disclosure undertaking, the annual financial information provided subsequent to such amendment shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided by the District. If the amendment affects the accounting principles to be followed in preparing financial statements of the District, the annual financial information for the year in which the change is made must present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison must include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles must be sent to the MSRB.

The District believes that it has complied with its continuing disclosure obligations in all material respects during the five year period ending with the date of this Official Statement, except that the District did not properly provide complete operating data with respect to one series of bonds issued by the District, although it made a good faith attempt to do so. During the years 2008 through 2014 the District did not provide material event notices relating to (i) changes in credit ratings assigned to the insurers of ten series of bonds issued by the District or (ii) with respect to the April, 2010 recalibration by Fitch Ratings of the underlying (uninsured) rating with respect to three series of bonds issued by the District. Information regarding these rating changes was widely available to the public.

The District has not undertaken any continuing disclosure obligation with respect to information concerning Alton. However, KH Alton LLC will enter into a Continuing Disclosure Agreement with Lerner Reporting Services, Inc., as dissemination agent, pursuant to which KH Alton LLC will undertake to provide certain information after the issuance of the Series 2014 Bonds. The form of the Continuing Disclosure Agreement is included herein as Appendix G.

FINANCIAL STATEMENTS

The Annual Financial Report, including audited financial statements, of the District for the fiscal year ended September 30, 2013, included as Appendix E to this Official Statement, were prepared by Marcum LLP, independent certified public accountants. Marcum LLP did not participate in the preparation of this

Official Statement and its consent to the reproduction of the audited financial statements herein was not sought.

FINANCIAL ADVISOR

Spectrum Municipal Services, Inc., Palm Beach Gardens, Florida has acted as financial advisor to the District in connection with the issuance of the Series 2014 Bonds. The financial advisor will receive a fee for services rendered in connection with the issuance of the Series 2014 Bonds, which fee is contingent upon such issuance.

UNDERWRITING

The Series 2014 Bonds are being purchased by Raymond James & Associates, Inc. and fmsbonds, Inc. (jointly, the "Underwriters") at a price of \$ _____, the par amount of the Series 2014 Bonds less Underwriters' discount in the amount of \$ _____, [plus][minus][net] original issue [premium][discount] of \$ _____. The Underwriters' obligations are subject to certain conditions precedent, and if obligated to purchase any of the Series 2014 Bonds, the Underwriters will be obligated to purchase all of the Series 2014 Bonds. The Series 2014 Bonds may be offered and sold to certain dealers, dealer banks, and banks acting as agent (including underwriters and other dealers depositing such Series 2014 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover hereof. The initial public offering price may be changed from time to time by the Underwriters.

AUTHORIZATION AND APPROVAL

The execution and delivery of this Official Statement has been duly authorized by the Board of Supervisors of Northern Palm Beach County Improvement District.

**NORTHERN PALM BEACH COUNTY
IMPROVEMENT DISTRICT**

ATTEST:

By: _____
Assistant Secretary

By: _____
President, Board of Supervisors

KH Alton LLC, a Florida limited liability company, has affixed the representative signature of its manager below for the sole purpose of acknowledging that it has reviewed and approved the information in this Official Statement but only with respect to the language under the captions "The Development," "Litigation-Kolter" and "Litigation-Permit Challenge" and, but only with respect to specific references to Kolter and Alton, the language contained herein under the caption "Owners' Risks" and in Appendix C, and warrants and represents that such information does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made in such sections not misleading. Notwithstanding the foregoing, neither KH Alton LLC nor any of its affiliates is the issuer of the Bonds, and they specifically disclaim any and all liability whatsoever with respect to any other matter contained in this Official Statement.

KH Alton LLC

By: The Kolter Group LLC, a Florida limited liability company, its sole manager

By: _____
Authorized Signatory

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APPENDIX A- FORM OF THE RESOLUTION

RESOLUTION 2014-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT INITIALLY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF NOT EXCEEDING \$94,454,426.70 BONDS OF SUCH DISTRICT TO FINANCE THE COST OF IMPROVEMENTS WITH RESPECT TO UNIT OF DEVELOPMENT NO. 2C OF THE DISTRICT; PROVIDING THAT SUCH BONDS SHALL BE PAYABLE SOLELY FROM DRAINAGE TAXES LEVIED BY THE DISTRICT ON THE LANDS WITHIN UNIT OF DEVELOPMENT NO. 2C, AND OTHER MONIES AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES, AND REMEDIES FOR THE OWNERS OF SUCH BONDS; PROVIDING FOR THE CREATION OF SPECIAL FUNDS AND ACCOUNTS; APPOINTING A TRUSTEE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT, THAT:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the authority of the Act.

Section 1.02. Definitions. The following words and phrases shall have the following meanings when used herein:

"Act" means Chapter 2000-467, Laws of Florida, as amended and supplemented from time to time, applicable provisions of Chapter 298, Florida Statutes, with respect to any Taxable Bonds, Part VII of Chapter 159, Florida Statutes and other applicable provisions of law.

"Activated Benefit" means the sum of \$78,828,378 plus so much of the Inchoate Benefit (as defined in the Tax Resolution), if any, as has been activated by an Activating Resolution as described in the Tax Resolution.

"Board" means the Board of Supervisors of the Issuer.

"Bond" or "Bonds" means the obligations of the Issuer authorized hereby.

"Bond Counsel" means an attorney at law or firm of lawyers acceptable to the Issuer and of recognized expertise in matters pertaining to the debt obligations issued by states and their political subdivisions, including the taxation of payments of interest thereon.

"Bond Fund" means the fund by that name established in Section 5.02 hereof.

"Bond Register" means the books for the registration of ownership of Bonds kept by the Trustee as agent of the Issuer pursuant to Section 2.08 hereof.

"Bond Year" means a one year period beginning on and including August 2 and ending on and including the next succeeding August 1, except that the first Bond Year shall begin on the date of issuance of the first series of Bonds and end on the next August 1.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Trustee is lawfully closed.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder or applicable thereto.

"Cost" means to the extent permitted by law any obligation or expense incurred by the Issuer in connection with the acquisition, construction or reconstruction of any Project or Improvements thereon, including costs of issuing the Bonds.

"Cost of Issuance Fund" means the fund by that name established in Section 5.02 hereof.

"Disbursement Approval" means a written request of the Issuer for a disbursement from the Cost of Issuance Fund or Project Fund, as applicable, which request shall be substantially in the form attached hereto as Exhibit B.

"Drainage Taxes" means the special assessments levied and assessed by the Issuer in accordance with the Act upon the lands within the Unit pursuant to the Tax Resolution.

"Engineer's Report" means the Report of Engineer with respect to the Unit, filed with the Issuer February 14, 2014 and approved by the Board by Resolution 2014-2, with an effective date of March 26, 2014, as the same may be amended from time to time in accordance with the Act.

"Event of Default" means any material covenant, warranty or representation of the Issuer contained herein shall be breached or shall become untrue, including, but not limited to, failure to timely pay principal, premium, if any, and interest on the Bonds.

"Fiscal Year" means that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as shall be prescribed as the fiscal year of the Issuer by law.

"Governmental Obligations" means direct general obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America and which are not redeemable or subject to prepayment prior to the stated maturity thereof by or at the direction of the obligor thereon.

"Improvements" means, without limitation, any and all drainage and land reclamation works and facilities, storm sewers and drains, streets and roads, or other projects of the Issuer permitted under the Act.

"Insurer" means, if applicable, as to any series of Bonds, the "Insurer" identified therefor in the applicable Supplemental Resolution.

"Interest Payment Date" means as to each series of Bonds, each February 1 and August 1, commencing on such February 1 or August 1 as designated by a Supplemental Resolution adopted in connection with such series of Bonds.

"Issuer" means Northern Palm Beach County Improvement District, a water control district of the State pursuant to the Act, and its lawful successors.

"Issuer's Engineer" means the engineer or firm of engineers serving as the Issuer's general engineer in accordance with the Act.

"Issuer Representative" means, at any time, the person or persons at the time designated to act on behalf of the Issuer by written certificate furnished to the Trustee containing the specimen signatures of such persons and signed on behalf of the Issuer by the President.

"Issuer's Counsel" means the attorney or firm of attorneys as shall have been appointed by the Board and as shall be serving as general counsel to the Issuer.

"Mail" means mail by first-class postage prepaid or by a form of prepaid overnight delivery selected by the Trustee.

"Original Purchaser" means as to any series of Bonds, the Person or Persons identified as the Original Purchaser thereof in the applicable Supplemental Resolution.

"Outstanding Bonds" or "Bonds Outstanding" means all Bonds which have been authenticated and delivered by the Trustee under this Resolution, except:

- (i) Bonds canceled by the Trustee;
- (ii) Bonds paid or deemed to be paid pursuant to Article VII hereof;
- (iii) Bonds in lieu of which others have been authenticated under Sections 2.07 or 2.08 hereof; and
- (iv) Bonds for which irrevocable (including revocable notice which shall have become irrevocable) notice of redemption has been given and for which moneys have been deposited with the Trustee solely for payment of such Bonds.

"Owner" or "Owners" means the Person or Persons in whose name or names any Bonds shall be registered on the Bond Register.

"Person" means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

"Plan of Improvements" means the Plan of Improvements for the Unit approved by the Board by Resolution 2014-2, with an effective date of March 26, 2014, as amended from time to time in accordance with the Act.

"President" means the President or Vice-President of the Board.

"Principal Office" means, with respect to the Issuer or the Trustee, the office of such Person located at the address specified in or pursuant to Section 10.04 of this Resolution, or in a Supplemental Resolution, or such other address as may be designated in writing by any such Person to the other Person listed above.

"Project" means the construction of Improvements contemplated by the Plan of Improvements for which Drainage Taxes are to be levied against the lands within the Unit in accordance with the Act.

"Project Fund" means the fund by that name established in Section 5.02 hereof.

"Qualified Investments" means any investment permitted by State law, provided that the Trustee may assume that any investment directed by the Issuer in writing is permitted by applicable law.

"Record Date" means (i) with respect to any Interest Payment Date, the 15th day of the calendar month next preceding an Interest Payment Date, and (ii) with respect to Bonds that are to be called for redemption, the tenth Business Day preceding the day the notice of redemption is mailed.

"Reserve Fund" means the fund by that name established pursuant to Section 5.02 hereof.

"Reserve Fund Insurance Policy" shall mean an insurance policy or surety bond deposited in any account of the Reserve Fund in lieu of or in partial substitution for cash on deposit therein pursuant to Section 5.09 of the Bond Resolution.

"Reserve Fund Requirement" means, unless otherwise provided by Supplemental Resolution with respect to a series of Bonds, as to any series of Bonds secured by an account in the Reserve Fund, the lesser of (i) 10% of the original stated principal amount of such series of the Outstanding Bonds, (ii) the maximum amount of principal and interest scheduled to become due on the Outstanding Bonds of such series in the current or any succeeding one year period ending on and including a February 1, or (iii) 125% of the average annual debt service on such series of the Outstanding Bonds (calculated on a Bond Year basis at the time of issuance only). If a series of Bonds has more than a de minimis amount of original issue discount or premium (as defined in Treas. Reg. §1.148-1(b)), then the issue price (as defined in said regulation) of such series (net of any pre-issuance accrued interest) shall be used to measure the aforesaid 10% limitation in lieu of the stated principal amount of such series.

"Resolution" means this Resolution, pursuant to which the Bonds are authorized to be issued, including any Supplemental Resolutions.

"Secretary" means the designee of the Issuer duly appointed and serving as the Secretary or Assistant Secretary of the Board.

"State" means the State of Florida.

"Supervisor" means a member of the Board.

"Supplemental Resolution" means any resolution supplemental to this Resolution adopted by the Issuer in accordance with Article IX hereof.

"Tax Resolution" means Resolution 2014-03, adopted by the Issuer March 26, 2014, levying special assessments upon the assessable land within the Unit, as such resolution may be amended from time to time.

"Taxable Bond" means any Bond other than a Tax-Exempt Bond.

"Tax Exempt Bond" means any Bond that at the time of issuance thereof was accompanied by an opinion of Bond Counsel to the effect that the interest thereon is excluded from gross income of the Owner thereof for federal income tax purposes.

"Trustee" means the Person appointed and serving as such in accordance with Article VIII of this Resolution.

"Trust Estate" means the Drainage Taxes and any amounts held in the funds and accounts hereunder, to the extent pledged to the Owners pursuant to Section 5.01 hereof.

"Unit" means Unit of Development No. 2C of the Issuer, established pursuant to Resolutions 2008-10, 2008-12 and 2008-13 adopted by the Board, as modified from time to time in accordance with the Act.

Section 1.03. Resolution to Constitute a Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall be the Owners thereof from time to time, this Resolution shall constitute a contract between the Issuer, the Insurer, if any, and the Owners, and all covenants and agreements herein set forth to be performed by the Issuer shall be for the equal and ratable benefit and security of all of the Owners without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds, except as expressly provided in or permitted by this Resolution.

[End of Article I]

ARTICLE II

THE BONDS

Section 2.01. Limitation on Issuance of Bonds. No obligations of the Issuer payable from or secured by Drainage Taxes may be issued except in accordance with the provisions of this Article II.

Section 2.02. Authorization of Bonds. Subject and pursuant to the provisions of this Resolution (including, particularly, Section 4.01 hereof), special obligations of the Issuer to be known as "Water Control and Improvement Bonds, Unit of Development No. 2C," are hereby authorized to be issued in one or more series under and secured by this Resolution, in an aggregate principal amount not to exceed \$94,454,426.70 for the purpose of financing the Cost of the Project, and/or refunding any Bonds, including paying costs incidental to the issuance of such Bonds. The designation of Bonds issued for the purpose, in whole or in part, of refunding other obligations of the Issuer for the Unit shall include the word "Refunding." The designation of Taxable Bonds shall include the word "Taxable." The principal amount of Bonds issued may not exceed 90% of the Activated Benefit. Bonds may be issued for the purpose of refunding previously issued Bonds, and in such event, for purposes of calculating the foregoing limitations, the Bonds to be refunded shall not be taken into account except to the extent of the principal amount thereof paid, whether prior to or after the issuance of the refunding Bonds, from proceeds of the Drainage Taxes levied pursuant to the Tax Resolution.

All Bonds shall be on a parity with all other Bonds for all purposes of this Resolution, including the right to payment and lien on the Drainage Taxes and amounts in the funds and accounts established hereunder, except that any amounts in a separate account in the Bond Fund, Cost of Issuance Fund, Project Fund and/or Reserve Fund established in connection with a series of Bonds shall be subject to a lien and right to payment only in respect of such series of Bonds.

After the issuance of any Tax-Exempt Bonds, no other Bond shall be issued unless, in the opinion of Bond Counsel, the issuance of such Bonds will not result in the interest on any Tax-Exempt Bonds becoming includable in the gross income of the Owners thereof for federal income tax purposes.

Section 2.03. Description of Bonds; Medium of Payment. Each series of Bonds shall bear a series designation to distinguish it from all other series of Bonds, shall be dated, shall be stated to mature, subject to the right of prior optional or mandatory redemption, or both, if any, on such dates at annual intervals within forty (40) years from its date of issuance, shall be in the principal amount, shall bear interest at such rate or rates not in excess of the maximum rate permitted by law, payable on such Interest Payment Dates, shall be in registered form, shall have such other details, and shall be sold in such manner to such purchasers upon the payment of such purchase price, all as shall be provided herein and in a Supplemental Resolution applicable to such series of Bonds. Unless otherwise provided in a Supplemental Resolution with respect to a series of Bonds, the Bonds shall be issued in the denomination of \$5,000 or any integral multiple in excess thereof.

The principal of, premium, if any, and the interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 2.04. Execution of Bonds. The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the President and shall have impressed or imprinted thereon the official seal of the Issuer or a facsimile thereof, and be attested with the manual or facsimile signature of the Secretary or any Supervisor. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any Supervisor or officer whose manual or facsimile signature shall appear on the Bonds shall cease to be such Supervisor or officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such signatory had remained a Supervisor or such officer until delivery. Any Bond may be executed on behalf of the Issuer by a Supervisor who, at the time of execution is the proper person, although on the date of such Bond that person was not the proper person.

Section 2.05. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond has been duly executed on behalf of the Trustee by the manual or facsimile signature of its authorized signatory; such executed certificate of the Trustee upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory execute the certificate of authentication on all of the Bonds. At least one of the signatures on each Bond required by Section 2.04 or 2.05 hereof shall be a manual signature.

Section 2.06. Form of Bonds. The Bonds are to be in substantially the form set forth on Exhibit A attached hereto, with such variations, omissions and insertions as permitted or required by this Resolution or a Supplemental Resolution.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of the same series, of like date, interest rate, maturity and denomination to that of the mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee and not objected to by the Issuer, together with an indemnity satisfactory to the Trustee and not objected to by the Issuer. In the event any such Bond shall have matured or been called for redemption, instead of issuing a duplicate Bond, the Trustee, on behalf of the Issuer, may pay the same without surrender thereof, making such requirements as it deems fit for its protection and that of the Issuer, including the furnishing of evidence and indemnity the same as in the case of the issuance of a new Bond. The Issuer and the Trustee may charge the Owner of such

Bond with their reasonable fees and expenses for such service and any tax or other governmental charge in connection therewith.

Section 2.08. Registration and Exchange of Bonds; Persons Treated as Owners. So long as any of the Bonds shall remain unpaid, the Issuer will cause books for the registration and transfer of such Bonds to be maintained and kept at the Principal Office of the Trustee, acting, only for purposes of Treasury Regulation Section 5f.103-1(c)(1)(i), as agent of the Issuer. The Bonds shall be transferable only upon the Bond Register. Notwithstanding the foregoing, a Supplemental Resolution may authorize the issuance of Taxable Bonds in bearer form.

At reasonable times and under reasonable regulations established by the Trustee, the Bond Register with respect to a series of Bonds may be inspected and copied by the Issuer, the Insurer of such series, if any, or by any Owner (or a representative of one or more Owners) of ten percent (10%) or more in aggregate principal amount of Bonds of such series then Outstanding.

Bonds of any series may be exchanged, at the option of their Owner, for Bonds of any authorized denomination or denominations of the same series in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being exchanged. The exchange shall be made upon presentation and surrender at the Principal Office of the Trustee of the Bond being exchanged, duly endorsed for exchange (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing.

Any Bond may be transferred upon presentation and surrender at the Principal Office of the Trustee of the Bond being transferred, duly endorsed for transfer (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing. Upon transfer of any Bond the Trustee shall deliver to the transferee a new Bond or Bonds of the same series registered in the name of the transferee, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bond presented and surrendered for transfer.

In all cases in which Bonds shall be exchanged or transferred hereunder, the Issuer shall execute, and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. In each case, the Issuer and the Trustee may require the payment by the Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and such charge shall be paid before a new Bond is issued.

Neither the Issuer nor the Trustee shall be required to transfer or exchange any Bond of a series during the period beginning ten (10) Business Days before the date of the mailing of a notice of redemption of Bonds of such series and ending at the close of business at the Principal Office of the Trustee on the day of such mailing, or to transfer or exchange any Bond called for redemption, in whole or in part.

Bonds delivered upon any transfer or exchange as provided herein, or in replacement of a lost, stolen, destroyed or mutilated Bond as provided in Section 2.07 hereof, shall be valid limited obligations of the Issuer, evidencing the same debt as the Bonds surrendered for transfer or exchange, mutilated, lost, stolen or destroyed, shall be secured by this Resolution and shall be entitled to all the security and benefits hereof to the same extent as the Bonds surrendered for transfer or exchange, mutilated, lost, stolen or destroyed, as the case may be.

The Person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, and

interest on any Bond shall be made only to or upon the written order of the Owner or the Owner's duly authorized attorney-in-fact. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.09. Destruction of Bonds. Whenever any Bond shall be delivered to the Trustee upon payment of the principal amount, in whole or in part, and premium, if any, and interest represented thereby, or for replacement pursuant to Sections 2.07 or 2.08 hereof, or otherwise for cancellation, such Bond shall be promptly canceled and cremated or otherwise destroyed, and a certificate of destruction evidencing such cremation or other destruction shall be retained by the Trustee and a copy thereof shall be forwarded to the Issuer upon request.

Section 2.10. Issuance of Bonds. Prior to the issuance of any series of the Bonds there shall be filed with the Trustee:

- (1) A copy, duly certified by the Secretary or a Supervisor, of this Resolution and the Supplemental Resolution or Resolutions adopted by the Issuer authorizing the issuance of such series of Bonds and fixing the details thereof;
- (2) A request and authorization of the Issuer to the Trustee, signed by the President, to authenticate and deliver the Bonds to the Original Purchaser, upon payment to or for the account of the Issuer, of a sum specified in such request and authorization;
- (3) A copy, duly certified as being in full force and effect by the Secretary or a Supervisor, of the Tax Resolution; and
- (4) An opinion or opinions of Bond Counsel to the effect that the issuance of such Bonds is permitted hereby and by applicable law.

[End of Article II]

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 3.01. Authorization of Redemption Provisions. The Bonds may be subject to redemption prior to maturity in the manner and on such date or dates as specified by Supplemental Resolution(s).

Section 3.02. Notice of Redemption. Unless otherwise provided in a Supplemental Resolution for a series of Bonds, notice of the call for any redemption of Bonds shall be given by the Trustee by mailing a copy of a redemption notice by Mail, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption, to the Owner, as shown on the Bond Register at the close of business at the Principal Office of the Trustee on the Record Date, of each Bond to be redeemed in whole or in part at the address of such Owner shown on the Bond Register. No notice of the optional redemption of Bonds may be given unless funds for such redemption are irrevocably deposited with the Trustee prior to giving such notice or unless the notice expressly states that the redemption is subject to deposit of funds by the Issuer. The notice of redemption shall state:

- (i) the redemption date;
- (ii) the redemption price;

- (iii) the date of the notice of redemption;
- (iv) the series designation of the Bonds being redeemed;
- (v) if less than all Bonds of a series or maturity are to be redeemed, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed;
- (vi) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed;
- (vii) that on the redemption date the redemption price will become due and payable upon each such Bond or portion called for redemption, and that, sufficient moneys being on hand with the Trustee and available to pay such redemption price, interest thereon shall cease to accrue from and after said date;
- (viii) the place where such Bonds are to be surrendered for redemption, and giving the name, address, and telephone number of the Trustee and listing a contact person; and,
- (ix) if any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

The failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond with respect to which no such failure has occurred. Any notice prepared and mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

The Trustee shall send an additional copy of the redemption notice, by registered or certified mail, to any Owner of a Bond called for redemption in whole or in part which has not been presented for redemption by the sixtieth (60th) day after the redemption date, such notice to be sent by the Trustee at any time after the sixtieth (60th) day after the redemption date and before the ninetieth (90th) day after the redemption date. Failure of the Trustee to send any such additional notice shall not effect the validity of any proceedings for the redemption of Bonds.

Section 3.03. Redemption Payments. Upon the giving of notice of redemption in accordance with Section 3.02 hereof, the Bonds or portions thereof called for redemption shall become due and payable on the redemption date at the redemption price and, if the funds necessary to effect such redemption are on deposit with the Trustee and available therefor, such Bonds or portions thereof shall cease to bear interest from and after the redemption date; and such Bonds or portions thereof shall cease from and after the redemption date to be entitled to any benefit of or security under this Resolution, and the Owners thereof shall have no rights in respect of such Bonds or portions thereof except the right to receive payment of the redemption price thereof. If any Bond or portion thereof called for redemption shall not be paid at the redemption date or upon surrender thereof for redemption, whichever is the later to occur, because moneys necessary to effect such redemption are not on deposit with the Trustee and available therefor, such Bond shall continue to bear interest as if it had not been called for redemption.

All moneys deposited with the Trustee for the redemption of particular Bonds or portions thereof shall be held in trust for the account of the Owners thereof and not for any other Bonds, and shall be paid to such Owners, respectively, upon presentation and surrender of those Bonds.

Section 3.04. Partial Redemption of Bonds. Unless otherwise provided by Supplemental Resolution, in the case of any partial redemption of Bonds of a particular series and maturity or maturities the Trustee shall select from such series and maturity or maturities the Bonds or portions thereof to be redeemed by lot or in such other random manner as the Trustee in its discretion may deem proper and, for this purpose, each \$5,000 unit of principal amount represented by any Bond shall be considered a separate Bond for purposes of selecting the Bonds to be redeemed. In case a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, but Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by any Bond is to be called for redemption, then, upon notice of intention to redeem such \$5,000 units of principal amount of such Bond, the Owner of such Bond shall surrender such Bond (at the place designated in the notice of redemption) for payment to such Owner of the redemption price of the principal amount of such Bond called for redemption. If the Owner of any Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 units of principal amount called for redemption (and to that extent only).

Upon surrender of any Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver or cause to be delivered to the Owner thereof, without charge, a new Bond or Bonds of the same series and the same interest rate and maturity, of authorized denominations, in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

Section 3.05. No Partial Redemption After Default. Anything in this Resolution to the contrary notwithstanding, if the payment of principal, premium, if any, or interest on the Bonds shall not be made when due and such default shall be continuing, there shall be no optional redemption of less than all of the Bonds Outstanding, unless such optional redemption shall cure such default.

[End of Article III]

ARTICLE IV

GENERAL COVENANTS OF ISSUER

Section 4.01. Levy of Drainage Taxes; Payment of Bonds. The Issuer will collect Drainage Taxes upon the lands within the Unit in accordance with the Act in amounts, subject to the limitations set forth herein and in the Act, sufficient, together with other legally available moneys of the Issuer, if any, to pay the principal of, premium, if any, and interest on the Bonds and to make any required deposits to the Reserve Fund as herein provided. The amount of Drainage Taxes, other than any portion thereof levied to pay interest on the Bonds, shall not exceed the benefits assessed against the lands in the Unit pursuant to the Act.

Section 4.02. Payment of Principal, Premium, if Any, and Interest; Limited Obligation. Subject to Section 4.01 hereof, the Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Resolution at the place, on the dates and in the manner provided herein and therein, provided that the principal of, premium, if any, and interest on the Bonds are payable solely from the Trust Estate and nothing in the Bonds or in this Resolution shall be construed as pledging any other funds or assets of Issuer. Neither the State nor the Issuer nor any other political subdivision of the

State shall in any event be liable for the payment of the principal of, premium, if any, and interest on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by Issuer from any property other than the Trust Estate.

Section 4.03. Enforcement of Payment of Drainage Taxes. The Issuer will diligently and faithfully within the time required by law institute such actions to enforce the collection of all Drainage Taxes and any interest and penalties thereon in the manner provided by the Act. Any proceeds received by the Issuer (net of any costs of such action) from any action instituted to enforce the collection of any delinquent Drainage Taxes, including any proceeds from the sale of lands or tax certificates, shall be deposited into the Bond Fund and/or Reserve Fund as provided in Sections 5.07 and 5.09 hereof.

Section 4.04. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution and in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to adopt this Resolution, and to pledge the Drainage Taxes and other amounts hereby pledged in the manner and to the extent herein set forth, that all action on its part for the adoption of this Resolution has been duly and effectively taken, and that the Bonds in the hands of the Owners will be valid and enforceable obligations of the Issuer according to the terms thereof and hereof.

Section 4.05. Instruments of Further Assurance. The Issuer will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, any such further reasonable acts, instruments and transfers as may be necessary for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Owners and the Trustee all and singular the amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds.

Section 4.06. Books and Records. The Issuer shall keep an accurate record of the levy and the collection of the Drainage Taxes which books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. Such record shall be open to the inspection of the Owners and their agents and representatives at all reasonable times. At any and all reasonable times the Owners, and their duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all books and records of the Issuer pertaining to the Drainage Taxes and the Bonds, and to make such copies and memoranda from and with regard thereto as may be desired, in accordance with the provisions of the applicable public record laws of the State.

Section 4.07. Annual Audit. The Board shall, within one year after the end of each Fiscal Year, or such earlier date as may be required by law, cause the books, records and accounts relating to the Unit and the Bonds for the preceding Fiscal Year to be properly audited by an independent firm of certified public accountants. Such audits shall contain a complete report of operations of the Issuer and shall contain a certificate of the auditors disclosing any default on the part of the Issuer of any covenant herein that has been disclosed by reason of such audit, or stating that no such default has been disclosed. A copy of such annual audit shall be furnished by the Issuer to each Insurer, if any, and, upon the payment of the cost of reproduction and mailing, to any Owner of any Bond who shall have requested in writing that a copy of such audit be furnished to such Owner.

Section 4.08. Compliance with Tax Requirements. The Issuer hereby covenants and agrees, for the benefit of the Owners from time to time of the Tax-Exempt Bonds, to comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Code to the extent necessary to preserve the exclusion of interest on the Tax-Exempt Bonds from gross income for federal

income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

- (1) to pay to the United States of America from, to the extent legally available, the funds and sources of revenues pledged to the payment of the Bonds, and from any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Tax-Exempt Bonds, plus any income attributable to such excess (the "Rebate Amount");
- (2) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;
- (3) to refrain from using proceeds of the Bonds in a manner that would cause the Tax-Exempt Bonds or any of them, to be classified as private activity bonds under Section 141(a) of the Code; and
- (4) to take any action, including the making of any "yield reduction payment" pursuant to Treas. Reg. Section 1.148-5(c), that would prevent the Tax-Exempt Bonds from becoming, and to refrain from taking any action that would cause the Tax-Exempt Bonds to become, arbitrage bonds under Section 103(b) and Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on the Issuer to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

Notwithstanding any other provision of this Resolution, the Trust Estate may be used to satisfy the Issuer's obligations under this Section 4.08 provided that such use does not impair the Issuer's ability to pay the principal of, premium, if any, and interest on the Bonds as the same becomes due and payable.

Unless otherwise specified in a Supplemental Resolution, the Issuer shall designate a certified public accountant, Bond Counsel, or other professional consultant having the skill and expertise necessary (the "Rebate Analyst") to make any and all calculations required pursuant to this Section regarding the Rebate Amount. Such calculation shall be made in the manner and at such times as specified in the Code. The Issuer shall engage and shall be responsible for paying the fees and expenses of the Rebate Analyst.

Section 4.09. Completion and Maintenance of Project. The Issuer will complete each Project with all reasonable dispatch in a sound and economical manner and will in accordance with the Act and the Plan of Improvements maintain each Project owned by it in good condition and state of repair. All Improvements will be owned by the Issuer or another political subdivision of the State and all Improvements shall be available for use by the general public on the same basis, subject only to conditions imposed by the Issuer or another political subdivision of the State as may be necessary to protect the health, safety and general welfare of the Unit and its inhabitants, visitors, property owners and workers or to protect such Improvements from damage, misuse, or destruction.

The Issuer shall observe and perform all of the terms and conditions contained in the Act, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Project.

Section 4.10. No Amendment of Plan of Improvements. The Issuer covenants that it will not amend the Plan of Improvements or Engineer's Report except in accordance with the Act and, except with respect to amendments which, in the opinion of the Issuer after consultation with the Issuer's Engineer, are of a nature that do not change the overall character or use of the Improvements, unless the Issuer shall first receive an opinion of Bond Counsel to the effect that any such amendment, and the completion of the Project as modified, if applicable, will not adversely affect the tax exempt status of any of the Tax-Exempt Bonds.

[End of Article IV]

ARTICLE V

REVENUES AND FUNDS

Section 5.01. Bonds Secured by Lien on Drainage Taxes. The Bonds shall be payable solely from and shall be secured solely by, and the Issuer hereby grants to the Owners, a lien on and pledge of the Drainage Taxes, and, subject to application thereof as provided herein, any amounts held in the funds and accounts established hereunder, provided, that, if so provided by the applicable Supplemental Resolution, any amounts on deposit in a separate account of the Bond Fund, Cost of Issuance Fund, Reserve Fund and/or Project Fund created in connection with a series of Bonds shall be subject to a lien in favor of and right to payment with respect to only such series of Bonds. The Issuer covenants that until all Outstanding Bonds together with any interest thereon shall have been paid or provision made for their payment it will not create or permit to be created any charge or lien on the Drainage Taxes or the funds and accounts created hereunder whether ranking prior to, equal with or subordinate to the charge or lien of the Bonds issued pursuant to this Resolution. The Bonds and the obligations evidenced thereby shall not be general obligations or indebtedness of the Issuer but shall be special obligations payable solely from the sources provided herein. No Owner shall ever have the right to compel the exercise of any taxing power of the Issuer to pay the Bonds or the interest thereon except as provided herein, or to make any other payments provided for in this Resolution, or be entitled to payment of such principal and interest from any funds other than those pledged herein for such purpose. The Bonds shall not constitute a lien upon any of the real or personal property of the Issuer other than the Trust Estate.

Section 5.02. Creation of Funds. Upon the issuance of the first series of Bonds there shall be created and established the following funds to be held by the Trustee in trust upon the terms and provisions hereof until such time as no Bonds are Outstanding (unless earlier closed in accordance herewith):

- (a) A Bond Fund;
- (b) A Project Fund;
- (c) A Reserve Fund; and
- (d) A Cost of Issuance Fund.

A separate account shall be created in each of the foregoing Funds in connection with each series of Bonds.

Section 5.03. Disposition of Bond Proceeds. Proceeds from the sale of any series of Bonds shall be applied pursuant to a Supplemental Resolution adopted prior to the issuance of such series of Bonds.

Section 5.04. Disbursements From and Records of Cost of Issuance Fund. Amounts shall be deposited in the accounts in the Cost of Issuance Fund pursuant to Supplemental Resolution(s). Amounts in an account in the Cost of Issuance Fund shall be used to pay the costs of issuance of the series of Bonds to which such account relates as the same shall be incurred. The Trustee shall make disbursements from the Cost of Issuance Fund only upon receipt of a Disbursement Approval signed by an Issuer Representative. Upon written certification to the Trustee by the Issuer that any funds remaining in an account of the Cost of Issuance Fund are unnecessary for the purposes of such account, such funds shall be transferred first to the account in the Reserve Fund established in connection with the same series of Bonds to which the account in the Cost of Issuance Fund relates to the extent of any deficiency therein and then to the account in the Bond Fund established in connection with the same series of Bonds to which the account in the Cost of Issuance Fund relates, and such account in the Cost of Issuance Fund shall then be closed.

Section 5.05. Payments into Project Fund. Amounts shall be deposited in the accounts in the Project Fund pursuant to Supplemental Resolution(s).

Section 5.06. Disbursements from and Records of Project Fund; Completion Date.

(a) Monies in the Project Fund shall be used to pay the Cost of a Project as the same shall be incurred. Amounts in an account in the Project Fund shall be expended solely for the purposes described in the Supplemental Resolution that created such account.

(b) The Trustee shall make disbursements from the Project Fund only upon receipt of a Disbursement Approval signed by an Issuer Representative. The Issuer Representative shall not sign a Disbursement Approval except upon the approval of the Board. If so requested by the Issuer, after the Project Fund or any account therein has been fully disbursed, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Issuer, provided that the Trustee shall keep such records until no Bonds remain Outstanding.

(c) The completion of a Project in accordance with the Plan of Improvements shall be determined by the Issuer's Engineer who shall indicate such fact in writing to the Issuer and the Trustee. Upon the completion of a Project and payment of all costs thereof that are to be paid from an account in the Project Fund, as provided herein, or upon a determination of the Issuer that no further Costs of such Project shall be paid from such account in the Project Fund, which determination shall be based in part upon a written opinion of Issuer's Counsel or Bond Counsel that such determination and the application of remaining amounts in such account in the Project Fund as hereafter set forth are permitted by the Act and do not legally impair the Issuer's ability to impose the Drainage Taxes, any unused proceeds of the Bonds remaining in such account in the Project Fund shall first be deposited in the account in the Reserve Fund established in connection with the same series of Bonds as to which such account in the Project Fund was established to the extent of any deficiency therein and any remaining amounts shall be deposited in the account in Bond Fund established in connection with the same series of Bonds as to which such account in the Project Fund was established and applied to the payment of Bonds of such series in accordance with Section 5.08 hereof. Any transfers from the Project Fund to the Reserve Fund and/or the Bond Fund as provided in this Section 5.06(c) shall be made by the Trustee only upon the written direction of the Issuer, upon which the Trustee may conclusively rely.

Section 5.07. Payments into Bond Fund. There shall be deposited to the credit of the Bond Fund such amount, if any, as may be set forth in the applicable Supplemental Resolution. The Issuer covenants and

agrees to deposit to the credit of the various accounts in the Bond Fund, as and when received, all Drainage Tax proceeds, which amounts, together with other moneys on deposit therein, shall be sufficient to pay the principal, premium, if any, and interest on the Bonds as the same shall become due and payable whether at maturity or upon proceedings for mandatory or optional redemption.

Amounts deposited in the Bond Fund in any Bond Year shall be credited among the various accounts therein in the same proportion that the debt service coming due in such Bond Year on each of the various series of Bonds secured by such account bears to the total debt service coming due in such Bond Year on all Bonds. The Issuer shall instruct the Trustee in writing as to the application of each deposit made by the Issuer to the credit of the Bond Fund, and the Trustee may conclusively rely upon such direction.

The Issuer shall not be required to make any further payments into the Bond Fund when the aggregate amount on deposit therein and in the account in the Reserve Fund established in connection with the same series of Bonds as to which such account in the Bond Fund was established is at least equal to the total amount of principal, premium, if any, and interest due or to become due on the then Outstanding Bonds of the series as to which such account relates until their scheduled maturity or redemption.

Section 5.08. Payments from Bond Fund. Moneys in an account of the Bond Fund shall be used solely to pay principal, premium, if any, and interest on the Bonds outstanding of the series to which such account relates when due whether at maturity or upon mandatory or optional redemption. The Trustee shall, from time to time, as principal, premium, if any, and interest on the Bonds shall become due, withdraw from appropriate account(s) in the Bond Fund for payment to the Owners, such amounts as shall be due and payable. If on the fifth (5th) business day prior to an Interest Payment Date there shall be insufficient funds in the Bond Fund to pay debt service due on the Bonds on such Interest Payment Date, the Trustee shall, either by telephone or telefacsimile, notify the Issuer of the amount of such deficiency.

Section 5.09. Payments into Reserve Fund; Disbursements. There shall be deposited in an account in the Reserve Fund the amount, if any, set forth in a Supplemental Resolution. No further payments shall be required to be made into any account of the Reserve Fund as long as there shall be on deposit therein an amount equal to the Reserve Fund Requirement therefor. If at any time the amount on deposit in an account of the Reserve Fund is less than the Reserve Fund Requirement therefor, the Issuer may, but shall not be required to, restore such deficiency from legally available funds of the Issuer, otherwise such deficiency shall be subsequently restored from the first Drainage Tax proceeds available therefore after all required current payments pursuant to Section 5.07 hereof have been made in full, and the Issuer shall levy Drainage Taxes sufficient to restore such deficiency at the earliest legal opportunity. If at any time there shall be a deficiency in more than one account in the Reserve Fund, except as provided in Section 5.04 and 5.06 hereof, funds available for deposit to the Reserve Fund shall be allocated among the accounts as to which the deficiency exists pro-rata, based upon the relative deficiencies among all such accounts. If at the time of any valuation of amounts on deposit in the Reserve Fund pursuant to Section 6.01(c) hereof the amount on deposit in an account in the Reserve Fund exceeds the Reserve Fund Requirement therefor, the excess amount shall be deposited into the account of the Bond Fund established in connection with the same series of Bonds as to which account in the Reserve Fund was established and shall be credited against any future moneys required to be deposited in such account in the Bond Fund.

Moneys in an account of the Reserve Fund shall be used only for the purpose of making payments into the account of the Bond Fund established in connection with the same series of Bonds as to which account in the Reserve Fund was established to the extent the amounts otherwise therein are insufficient for the purposes established for such account and for no other purpose. If at any time there shall be insufficient funds in an account of the Bond Fund to fulfill the requirements established for such account, the Trustee shall transfer from the account of the Reserve Fund established in connection with the same series of the Bonds

as to which such account in Bond Fund was established and deposit into such account of the Bond Fund an amount equal to such deficiency.

The Issuer shall not be required to make any further payments into an account of the Reserve Fund when the aggregate amount on deposit therein and in the account of the Bond Fund established in connection with the same series of Bonds as to which account in the Reserve Fund was established is at least equal to the total amount of principal, premium, if any, and interest due or to become due on the then Outstanding Bonds of such series to which such account relates until their scheduled maturity or redemption.

Notwithstanding the foregoing provisions, with the written consent of each Insurer of Bonds secured thereby, in lieu of the required deposits into an account of the Reserve Fund, and/or in substitution for money on deposit in an account of the Reserve Fund, the Issuer may, at its sole option and discretion, cause to be deposited a Reserve Fund Insurance Policy in an amount equal to the difference between the Reserve Fund Requirement applicable thereto and the sums then on deposit in such account of the Reserve Fund, if any, and, in the case of a substitution of a Reserve Fund Insurance Policy for money on deposit in such account of the Reserve Fund, the Issuer may withdraw money from such account of the Reserve Fund in excess of the Reserve Fund Requirement and may use such money for any lawful purpose provided the Issuer first obtains an opinion of Bond Counsel that such use is permitted and will not, in and of itself, adversely affect the exclusion from gross income of interest on any Tax-Exempt Bonds. Such Reserve Fund Insurance Policy shall be payable to the Trustee for such Series (upon the giving of notice as required thereunder) on any interest payment or redemption date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose.

If five (5) days prior to an interest or principal payment or redemption date, the Issuer shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on Bonds on such date, the Issuer shall immediately notify (a) the issuer of the applicable Reserve Fund Insurance Policy, and (b) the Insurer, if any, of the amount of such deficiency and the date on which such payment is due, and shall take all action to cause such issuer or Insurer to provide moneys sufficient to pay all amounts due on such interest or principal payment or redemption date.

If a disbursement is made from a Reserve Fund Insurance Policy provided pursuant to this Section 5.09, the Issuer shall cause to be restored or reinstated the maximum limits of such Reserve Fund Insurance Policy following such disbursement from moneys becoming available in the applicable account of the Reserve Fund in accordance with the provisions of the first paragraph of this Section 5.09, by depositing funds in the amount of the disbursement made under such instrument with the issuer thereof. In addition, after the amount on deposit in the applicable account of the Reserve Fund equals the Reserve Fund Requirement therefor, the Issuer shall reimburse the issuer of the Reserve Fund Insurance Policy for interest and all reasonable expenses incurred by such issuer in connection with the draw on such Reserve Fund Insurance, as the case may be, if the Issuer is so obligated under the terms of the Reserve Fund Insurance Policy.

The Issuer may evidence its obligation to reimburse the issuer of any Reserve Fund Insurance Policy by executing and delivering to such issuer a promissory note or other written evidence thereof, provided, however, any such note or written evidence (a) shall not be a general obligation of the Issuer the payment of which is secured by the full faith and credit or taxing power of the Issuer, and (b) shall be payable solely from moneys available in the applicable account of the Reserve Fund in accordance with the provisions of the first paragraph of this Section 5.09.

Section 5.10. Nonpresentment of Bonds; Disposition of Unclaimed Money. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or otherwise, if

funds sufficient to pay any such Bond shall have been made available to the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for any subsequent interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on the part of such Owner under this Resolution or on, or with respect to, such Bond. Any moneys so deposited with and held by the Trustee for the payment of Bonds not so claimed within seven years after the date the payment of such Bonds shall have become due, whether at maturity or otherwise, shall be presumed abandoned and shall be returned to the Issuer, and the Issuer shall comply with the provisions of Chapter 717, Florida Statutes, or any successor thereof, in respect of such moneys.

Section 5.11. Moneys To Be Held in Trust. Subject to the provisions hereof concerning amounts in accounts in the Bond Fund, Reserve Fund, Cost of Issuance Fund and Project Fund, all moneys required to be deposited with or paid to the Trustee for the account of any fund referred to in any provision of this Resolution shall be held by the Trustee in trust for the benefit of the Owners, and except for moneys deposited with or paid to the Trustee for the purchase of Bonds, notice of the purchase of which has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

Section 5.12. Repayment to Issuer From Funds. Any amounts remaining in any accounts in the Bond Fund (except amounts held by the Trustee pursuant to Section 5.10 hereof), Project Fund (after the completion or abandonment of the Project pursuant to Section 5.06 hereof), Cost of Issuance Fund or Reserve Fund, after the payment in full of the principal of, premium, if any, and interest on the series of Bonds to which such accounts relate, the fees, charges and expenses of the Issuer and the Trustee and all other amounts required to be paid hereunder, shall be paid to the Issuer.

Section 5.13. Application of Funds Upon Refunding. Notwithstanding any other provision hereof, in the event of a refunding of Bonds of a series, amounts in the account of the Bond Fund for such series in excess of amounts needed to pay debt service on Outstanding Bonds of such series not being refunded, amounts in the account of the Reserve Fund for such series in excess of the Reserve Fund Requirement for the Outstanding Bonds of such series not being refunded and proceeds of such Bonds being refunded as are on deposit in a separate account in the Project Fund, may at the written direction of the Issuer be applied by the Issuer to the payment of the Bonds being refunded.

In addition to the foregoing, amounts on deposit in the Bond Fund, Reserve Fund and Project Fund, as aforesaid, may also be applied to such other use as directed by the Issuer in writing, provided that the Issuer shall have received an opinion of Bond Counsel to the effect that such use is permitted by the Act, and would not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds.

[End of Article V]

ARTICLE VI

INVESTMENT OF MONEYS

Section 6.01. Investment of Moneys.

(a) Any moneys held as part of the Bond Fund, Project Fund, Cost of Issuance Fund or Reserve Fund shall be invested and reinvested by the Trustee, at the written direction of the Issuer (or

oral direction promptly confirmed in writing) in Qualified Investments maturing at such times and in such amounts as shall enable the Issuer to make timely payment of all amounts due hereunder. Any such Qualified Investments shall be held by or under the control of the Trustee. The Trustee shall sell and reduce to cash such Qualified Investments upon the direction of the Issuer, but in any event at such times as are necessary to timely make all payments required hereunder. Investments and earnings and losses thereon in each fund and account hereunder shall be a part of such fund or account except as otherwise set forth herein.

(b) If the Issuer does not provide directions to the Trustee for investment of funds in accordance with the requirements hereof, the Trustee shall hold such moneys uninvested and promptly request investment instructions from the Issuer. In making investments hereunder, or in selling or disposing of investments as required hereby, the Trustee shall be fully protected in relying solely upon the directions of the Issuer as aforesaid. Under no circumstances whatsoever shall the Trustee be liable to the Issuer or any Owner for any loss of tax-exempt status of the Tax-Exempt Bonds, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, including for any losses on any investments, so long as the Trustee acts only in accordance with the directions of the Issuer as provided hereunder.

(c) For the purpose of determining the amount on deposit in any Fund, investments therein shall be valued at fair market value. The Trustee shall value the amounts on deposit in the Bond Fund and the Reserve Fund (i) on August 1 (or if not a Business Day, the next succeeding Business Day) of each year after the payment of debt service on the Bonds due on such date, (ii) on the day after any withdrawal from the Reserve Fund, and (iii) on such other date or dates as the Issuer may direct in writing.

[End of Article VI]

ARTICLE VII

DISCHARGE OF LIEN

Section 7.01. Discharge of Lien. If the Issuer shall pay or cause to be paid to the Owners of the Bonds the principal of, premium, if any, and interest due or to become due on the Bonds at the times and in the manner stipulated therein and herein, and if the Issuer is not in default in any of the other covenants and promises in the Bonds and in this Resolution or any Supplemental Resolution expressed as to be kept, performed and observed by it or on its part, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Trustee shall, upon demand of the Issuer, execute and deliver to the Issuer such instruments in writing, if any, as shall be requisite to release the lien hereof, and reconvey, release, assign and deliver unto the Issuer any and all of the estate, right, title and interest in and to any and all rights or interests in property assigned or pledged to the Trustee or otherwise subject to the lien of this Resolution, except for amounts held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds. Notwithstanding the foregoing, those provisions of this Resolution and any Supplemental Resolution relating to the maturity of the Bonds, interest payments and dates thereof, redemption provisions, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, and the duties of the Trustee in connection with all of the foregoing shall remain in full force and effect and shall be binding upon the Trustee and the Owners notwithstanding the release and discharge of the lien of this Resolution. Any written instrument as shall be requisite to release

the lien of this Resolution as described in the first sentence hereof shall be prepared by the Issuer, at its expense, and provided to the Trustee for execution by the Trustee.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Resolution when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been made or caused to be made in accordance with the terms hereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment (1) moneys sufficient to make such payment and/or (2) Governmental Obligations maturing as to principal, premium, if any, and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Resolution, except for the purposes of any such payment from such moneys or Governmental Obligations.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be accepted by the Trustee or deemed a payment of any such Bond as aforesaid until (I) proper and irrevocable notice is given by the Issuer to the Trustee to give proper notice of redemption of such Bond and to redeem such Bond in accordance with Article III of this Resolution, (II) in the event such Bond is not to be redeemed within the next succeeding sixty (60) days, until the Issuer shall have given the Trustee on behalf of the Issuer, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Owner(s) of the Bond that the deposit required by (a)(ii) above has been made with the Trustee and that said Bond is deemed to have been paid in accordance with this Article VII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bond, plus interest thereon to the due date thereof, and (III) the Trustee shall have received an opinion of Bond Counsel, addressed to at least the Issuer and Trustee, to the effect that such deposit and use will not in and of itself adversely affect the exclusion from gross income of the Owners for federal income tax purposes of the interest on any Tax-Exempt Bonds issued hereunder.

All moneys so deposited with the Trustee as provided in this Article may at the direction of the Issuer be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth. Notwithstanding any provision of any other Article of this Resolution which may be contrary to the provisions of this Article VII, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof, if any) with respect to which such moneys and Governmental Obligations have been so set aside in trust, provided, that any amounts held by the Trustee pursuant to this Article VII which are not required for the payment of the principal, premium, if any, and interest thereon with respect to which such moneys shall have been so deposited shall be deposited in such account of the Bond Fund as designated by the Issuer as and when realized and collected for use and application as are other moneys deposited in such account of the Bond Fund, provided that if all the Bonds shall have been paid any such amounts shall be paid to the Issuer.

Anything in Article IX hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and such Bonds shall not have in fact become due and payable, no amendment to the provisions of this Article shall be made without the consent of the Owner of each Bond affected thereby.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the second paragraph of this Section 7.01 shall be accepted by the Trustee or deemed a payment of Bonds as aforesaid until, in addition to the items required by the third paragraph of this Section 7.01, the Trustee shall have received (x) a report of an independent certified public accountant selected by the Issuer and approved in writing by the Insurer, if any, (unless the Insurer shall be in default in its payment obligations under the Insurance Policy), and addressed to at least the Trustee, and verifying the mathematical accuracy of calculations performed by or on behalf of the Issuer demonstrating the sufficiency of the Governmental Obligations and/or cash deposited with the Trustee to pay the principal of, premium, if any, and interest on the Bonds to their date of maturity or redemption as aforesaid and (y) an opinion of Bond Counsel addressed to at least the Issuer and the Trustee to the effect that all requirements hereof to the defeasance of such Bonds shall have been satisfied. The Trustee may conclusively rely upon such report as establishing the sufficiency of such investments and cash to make such payments.

[End of Article VII]

ARTICLE VIII

TRUSTEE

Section 8.01. Acceptance of Trusts. The Bank of New York Mellon Trust Company, N.A. is appointed as the initial Trustee hereunder. Prior to the issuance of Bonds hereunder the Issuer shall obtain a written acceptance of such Trustee of the duties, obligations and trusts imposed upon the Trustee by this Resolution.

Section 8.02. Certain Rights of the Trustee. The duties, obligations and trusts imposed upon the Trustee hereunder shall be subject to the following:

(a) Prior to the occurrence of an Event of Default, the Trustee undertakes to perform such duties and only such duties of the Trustee as are specifically set forth in this Resolution and no implied duties or obligations shall be imposed against the Trustee. Subject to Section 8.11 hereof, during the occurrence and continuation of an Event of Default the Trustee shall use the same degree of care and skill in the exercise of its rights and powers hereunder as an ordinary prudent trustee would exercise or use in the conduct of its own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of the Trustee endorsed on the Bonds), or for the validity of this Resolution or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, except as hereinafter set forth; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the Trust Estate.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by the Issuer Representative as sufficient evidence of the facts therein contained and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the officials of the Issuer who executed the Bonds (or their successors in office) under the seal of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Resolution shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default.

(h) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(i) With respect to the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Resolution, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Trustee provided that this subsection 8.02(i) shall not limit the obligation of the Trustee to comply with the provisions hereof, and in particular, those with respect to payment of the Bonds.

(j) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law.

(k) The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(l) No provision of this Resolution shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the proper performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(m) The Trustee shall not be responsible or liable for any loss suffered in connection with any investment made in accordance herewith which is made at the instruction of the Issuer.

(n) The Trustee shall provide to any Owner, upon written request, upon payment of any reasonable fee, copies of any documents deposited with the Trustee by the Issuer pursuant to this Resolution.

Section 8.03. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by the Trustee in connection with such services, and the Issuer agrees to pay such fees from legally available moneys of the Issuer, provided that the Issuer shall not be required to pay any counsel fees or other expenses incurred by the Trustee as a result of the Trustee's own negligence or willful misconduct.

Section 8.04. Successor Trustee. Subject to Section 8.01 hereof, any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding. All covenants and stipulations herein shall inure to the benefit of and be available to the successors and assigns of Trustee.

Section 8.05. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving sixty (60) days' written notice by registered or certified mail to the Issuer. In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article VIII prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the resigning Trustee shall forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such resignation shall only become effective upon the appointment of a successor Trustee.

Section 8.06. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing signed by an authorized Issuer Representative and delivered to the Trustee, such removal to become effective only upon the appointment of a successor Trustee.

Section 8.07. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer. Every such Trustee appointed pursuant to the provisions of this Section shall be a financial institution with powers of a trust company within the State in good standing, authorized by law to perform the duties required of it hereunder.

Section 8.08. Acceptance by Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder. Every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments

in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be in a form recordable under the laws of the State, and shall be filed or recorded by the successor Trustee in each recording office, if any, where this Resolution shall have been filed or recorded. The predecessor Trustee shall retain the right to any fee or charges due and owing to such predecessor Trustee.

Section 8.09. Appointment of Co-Trustee. It is the purpose of this Resolution that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as the Trustee in such jurisdiction. It is recognized that in case of litigation under this Resolution and in particular in case of the enforcement hereof upon default hereunder, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold the properties in trust as herein provided, or take any other action which may be desirable or necessary in connection therewith, the Trustee may upon notice to the Issuer appoint an individual or institution as a separate or Co-Trustee, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Resolution to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee, but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them. Every Co-Trustee appointed pursuant to this section shall be an individual or institution legally empowered to perform as such hereunder.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate or Co-Trustee, or a successor thereto, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate or Co-Trustee.

Section 8.10. Accounting by Trustee. Upon request of the Issuer, the Trustee shall render a full accounting of any funds held by it from time to time pursuant to this Resolution.

Section 8.11. Responsibilities of Trustee - Default. The Trustee is not required or authorized by this Resolution to take any action in the event that the Issuer defaults in the payment of the Bonds or fails to fulfill any other covenant or condition required of the Issuer or imposed upon the Issuer by the Resolution, except as expressly set forth in this Resolution or a Supplemental Resolution. This Section 8.11 may not be amended without the prior written consent of the Trustee.

[End of Article VIII]

ARTICLE IX

SUPPLEMENTAL RESOLUTIONS

Section 9.01. Limitations. Prior to the issuance of Bonds hereunder, this Resolution may be amended, revised or revoked, in whole or in part, by subsequent resolution of the Issuer. This Resolution shall not be

modified or amended in any respect subsequent to the issuance of Bonds hereunder except as provided in and in accordance with this Article IX.

Section 9.02. Supplemental Resolutions Not Requiring Consent of Owners. After the issuance of Bonds hereunder, the Issuer may, without consent of or notice to any Owner, enact one or more Supplemental Resolutions for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Resolution;
- (b) To grant to or confer upon the Owners or the Trustee for the benefit of the Owners any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Owners or the Trustee;
- (c) To subject to this Resolution additional revenues, properties or collateral or to add to the covenants and agreements of the Issuer herein set forth other covenants and agreements hereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer;
- (d) To modify, amend or supplement this Resolution or any Supplemental Resolution in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the states or of the United States of America, or to achieve compliance of the Bonds with applicable federal tax law;
- (e) In connection with any other change herein which, in the judgment of the Issuer, is not materially adverse to the Trustee or the Owners;
- (f) To provide for the issuance of additional series of Bonds.

Section 9.03. Supplemental Resolutions Requiring Consent of Owners. Exclusive of Supplemental Resolutions permitted by Section 9.02 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners of more than fifty percent (50%) in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, anything contained in this Resolution other than in this Article IX to the contrary notwithstanding, to consent to and approve the adoption by the Issuer of such other Supplemental Resolutions as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any Supplemental Resolution; provided, however, that nothing in this Article IX shall permit, or be construed as permitting, without the written consent of the Owners of all Bonds Outstanding, (a) an extension of the maturity of the principal of, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bonds over any other Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolutions, or (e) the creation of any lien ranking prior to or on a parity with the lien of the Bonds on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (f) the deprivation of the Owner of any Outstanding Bond of the lien hereby created on the Trust Estate.

If at any time the Issuer shall determine that it is desirable to adopt any such Supplemental Resolution for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Resolution to be given by Mail to each Owner. Any notice mailed as provided in this Section shall be conclusively presumed to have been

duly given, whether or not the Owner receives the notice. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners. If the Owners of more than the required percentage in aggregate principal amount of the Bonds Outstanding shall have in writing consented to and approved the adoption thereof as herein provided (which consent and approval shall, if given, be irrevocable), no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the adoption of any such Supplemental Resolution as in this Section permitted and provided, this Resolution shall be and be deemed to be modified and amended in accordance therewith. A Supplemental Resolution may be adopted by the Issuer prior to obtaining the requisite consent of Owners provided that the effectiveness of such Supplemental Resolution is conditioned upon the obtaining of such consent.

Section 9.04. Required Opinion of Bond Counsel. The Issuer shall not enter into or consent to any Supplemental Resolution unless the Issuer and Trustee have received an opinion of Bond Counsel to the effect that such action is permitted hereunder and will not impair the exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. The Issuer and the Trustee may rely upon an opinion of Bond Counsel to the effect that any such Supplemental Resolution is permitted by the provisions of this Article IX.

[End of Article IX]

ARTICLE X

MISCELLANEOUS

Section 10.01. Consents of Owners. Any consent, request, direction, approval, objection or other instrument required by this Resolution to be signed and executed by the Owners may be in any number of concurrent documents and may be executed by such Owners in person or by an attorney-in-fact duly appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such attorney-in-fact or of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive in favor of the Trustee and Issuer with regard to any action taken by either of them under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

Section 10.02. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give to any Person other than the Issuer, the Insurer, if any, the Trustee and the Owners, any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Insurer, if any, the Trustee, and the Owners.

Section 10.03. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

Section 10.04. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram addressed as follows:

If to the Issuer:

Northern Palm Beach County Improvement District
359 Hiatt Drive
Palm Beach Gardens, Florida 33418

If to the Trustee, at the address thereof designated in a Supplemental Resolution or in a written certificate delivered to the Issuer. The Issuer and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent by a written certificate delivered to each other.

Section 10.05. Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal, premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption.

Section 10.06. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 10.07. Rules of Interpretation. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

Section 10.08. Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 10.09. Limited Liability of Issuer. It is hereby expressly made a condition of this Resolution and of the Bonds that any agreements or representations herein or therein contained or contained in the documents and instruments executed in connection therewith do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the Issuer and in the event of a breach of any agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the Issuer shall arise therefrom. Nothing contained in this Section 10.09, however, shall relieve the Issuer from the observance and performance of the several covenants and agreements on its part herein contained.

Section 10.10. Members, Officers, Employees and Agents of the Issuer Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Resolution or for any claim based thereon or otherwise in respect thereof, shall be had against any Supervisor of the Issuer, or any officer, agent, or employee, as such, of the Issuer past, present or future, either directly or through the Issuer

whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly understood (a) that the obligation of the Issuer under this Resolution is solely a corporate one, limited as provided in the preceding Section 10.09, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the Supervisors of the Issuer, or the officers, agents, or employees, as such, of the Issuer, or any of them, under or by reason of the obligations, covenants or agreements contained in this Resolution or implied therefrom, and (c) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such Supervisor of the Issuer, and every officer, agent, or employee, as such, of the Issuer under or by reason of the obligations, covenants or agreements contained in this Resolution, or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Resolution on the part of the Issuer.

Section 10.11. Rule 15c2-12. The Executive Director of the Issuer or the President are severally authorized to "deem final" for purposes of Securities and Exchange Commission Rule 15c2-12, a preliminary official statement for any series of the Bonds.

Section 10.12. Validation. Caldwell Pacetti Edwards Schoech & Viator, LLP, the attorneys for the Issuer, are authorized and directed to commence a proceeding for the validation for the Bonds.

Section 10.13. Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 10.14. Effective Date. This Resolution shall take effect immediately upon its adoption.

Passed and approved this 26th day of March, 2014.

(SEAL)

Attest:

President, Board of Supervisors

Secretary, Board of Supervisors

RESOLUTION 2014-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$70,945,540.20 AGGREGATE PRINCIPAL AMOUNT OF THE DISTRICT'S WATER CONTROL AND IMPROVEMENT BONDS, UNIT OF DEVELOPMENT NO. 2C, SERIES 2014; PROVIDING A METHOD TO DETERMINE THE PRINCIPAL AMOUNT, INTEREST RATES, MATURITY SCHEDULE AND REDEMPTION PROVISIONS FOR SUCH BONDS; PROVIDING A METHOD FOR AWARDED THE SALE OF SERIES 2014 BONDS TO THE UNDERWRITERS AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; AUTHORIZING THE PREPARATION AND USE OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT AND A BOND PURCHASE AGREEMENT; SUPPLEMENTING CERTAIN PROVISIONS OF RESOLUTION NO. 2014-04 OF THE DISTRICT; AUTHORIZING AND DIRECTING CERTAIN OFFICIALS OF THE DISTRICT TO TAKE ALL ACTION REQUIRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2014 BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on March 26, 2014, the Board of Supervisors (the "Board") of Northern Palm Beach County Improvement District (the "Issuer") adopted Resolution No. 2014-04, a General Bond Resolution (the "Bond Resolution") authorizing the issuance in one or more series of not to exceed \$94,454,426.70 aggregate principal amount of Water Control and Improvement Bonds, Unit of Development No. 2C of the Issuer; and

WHEREAS, pursuant to the Bond Resolution, prior to the issuance of series of Bonds thereunder there is to be adopted by the Issuer a Supplemental Resolution or Resolutions authorizing the issuance of such series of Bonds and fixing the details thereof; and

WHEREAS, the Issuer has determined to authorize its Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2014 (the "Series 2014 Bonds") under the Bond Resolution in the aggregate principal amount of not to exceed \$70,945,540.20, as further provided herein, in order to provide for the financing of the Project; and

WHEREAS, the Issuer expects to receive an offer to purchase the Series 2014 Bonds from Raymond James & Associates, Inc. and fmsbonds, Inc. (herein referred to jointly as the "Underwriters") in the form of a Bond Purchase Agreement (the "Bond Purchase Agreement") among the Issuer, the Underwriters and KH Alton LLC (referred to herein as the "Developer"); and

WHEREAS, the Issuer desires to authorize the sale of the Series 2014 Bonds to the Underwriters pursuant to the terms and provisions of the Bond Purchase Agreement (as completed pursuant to the authority hereinafter granted); and

WHEREAS, it is necessary and desirable to authorize the preparation and utilization of a Preliminary Official Statement and to authorize the preparation, execution and delivery of an Official Statement in connection with the issuance of the Series 2014 Bonds; and

WHEREAS, it is necessary and desirable to delegate to certain officials of the Issuer the authority to specify the amount, the date, the interest rates, maturity dates, and prepayment or redemption provisions for the Series 2014 Bonds; and

WHEREAS, the issuance of the Series 2014 Bonds and their sale to the Underwriters will, in the judgment of the Issuer, serve a public purpose and in all respects conform to the provisions and requirements of the Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Northern Palm Beach County Improvement District that:

Section 1. Authority for this Resolution; Definitions. This resolution is adopted pursuant to the provisions of the Act and the Bond Resolution. Terms used herein and not otherwise defined herein shall have the meanings ascribed thereto by the Bond Resolution.

Section 2. Authorization of Bonds. The Series 2014 Bonds are hereby authorized to be issued under and pursuant to Section 2.02 of the Bond Resolution in the aggregate principal amount of not to exceed the lesser of (i) \$70,945,540.20 and (ii) 90% of the Principal Component (as defined in the Tax Resolution) at the time of issuance of the Series 2014 Bonds.

Section 3. Terms of the Series 2014 Bonds.

(a) Amounts, Maturities, Interest Rates. The Series 2014 Bonds shall be issued in denominations of \$5,000 and integral multiples thereof, shall be numbered consecutively from R-1 upward, and shall be in the form of the Bond attached to the Bond Resolution as Exhibit A, with such changes as may be approved by the officers of the Issuer executing the Series 2014 Bonds, such execution to be conclusive evidence of such approval. The Series 2014 Bonds shall be issued on such date, shall be dated such date, and shall bear interest from such date, payable on the first day of February and August of each year (the "Interest Payment Dates"), commencing on such date, shall be issued in an aggregate principal amount not to exceed the amount described in Section 2 hereof, shall bear interest at the rates per annum, computed on the basis of a 360-day year consisting of twelve thirty day months, shall be subject to optional and or mandatory redemption and shall mature on August 1 of the years, all as to be set forth in a certificate in the form attached hereto as Exhibit A (the "Certificate as to Bond Terms") completed and signed by the President, and in the absence or inability to act of the President, any other member of the Board, provided, however, that the interest rate on the Series 2014 Bonds shall not exceed the maximum lawful rate and the final maturity date of the Series 2014 Bonds shall not be later than August 1, 2054. The President, and in the absence of the President, any other member of the Board, are, jointly and severally, authorized to determine the details of the Series 2014 Bonds within the parameters set forth above, and upon such determination to execute the Certificate as to Bond Terms, appropriately modified and completed with the details of the Series 2014 Bonds, thereby conclusively establishing such details.

Series 2014 Bonds issued in exchange for or upon the registration of transfer of the Series 2014 Bonds on or after the first Interest Payment Date thereon shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest on the Series 2014 Bonds has been paid in full or duly provided for, in which case such Series 2014 Bonds shall bear interest from such Interest Payment Date, provided that any Series

2014 Bond issued in exchange for or upon the transfer of any Series 2014 Bond on or after a Record Date and before the Interest Payment Date next succeeding such Record Date shall bear interest from such Interest Payment Date; provided further that if, as shown by the records of the Trustee, interest on the Series 2014 Bonds shall be in default, a Series 2014 Bond issued in exchange for or upon the registration of transfer of a Series 2014 Bond shall bear interest from the date to which interest has been paid in full on such Series 2014 Bond, or if no interest has been paid on the Series 2014 Bonds, from the dated date of such Series 2014 Bonds.

On each Interest Payment Date, interest accruing on the Series 2014 Bonds from and including the preceding Interest Payment Date (or the dated date of the Series 2014 Bonds, as the case may be), to but not including such Interest Payment Date shall be due and payable. Interest will be paid by check or draft mailed on the Interest Payment Date by the Trustee to the registered Owners as of the close of business at the Principal Office of the Trustee on the Record Date; provided, however, that upon the written request of and at the expense of any Owner of at least \$1,000,000 principal amount of Series 2014 Bonds (or of all Series 2014 Bonds if less than \$1,000,000 shall be unpaid), interest will be paid to such Owner by wire transfer to a bank account specified in such written request. Principal, and premium, if any, of the Series 2014 Bonds is payable when due upon presentation and surrender of the Series 2014 Bonds at the Principal Office of the Trustee.

(b) Reserve Fund Requirement. The Reserve Fund Requirement for the Series 2014 Bonds shall be as set forth in the Certificate as to Bond Terms.

Section 4. Continuing Disclosure. The Issuer agrees, in accordance with the provisions of, and to the degree necessary to comply with, the secondary market disclosure requirements of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), to file with the MSRB (hereinafter defined) in an electronic format and with such identifying information as prescribed by the MSRB:

(1) the following annual financial information and operating data (the "Annual Information"), commencing with the Fiscal Year ending September 30, 2014:

(i) Updates of the financial information and operating data of the type set forth in the final Official Statement for the Series 2014 Bonds, including updates of the historical assessment levy and collection rates and assessed valuation data, in a form which is generally consistent with the presentation of such information in the final Official Statement for the Series 2014 Bonds; and

(ii) Audited financial statements with respect to the Issuer utilizing generally accepted accounting principles for local governments.

The information in clauses (i) and (ii) above will be available for each Fiscal Year on or prior to the next September 30 following the end of such Fiscal Year, and will be made available, in addition to the MSRB, to each beneficial owner of the Series 2014 Bonds who requests such information in writing. The financial statements referred to in clause (ii) above may be available separately from the information in clause (i) above and will be provided by the Issuer as soon as practical after acceptance of such statements from the auditors by the Issuer; if not available within one year after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available;

(2) in a timely manner not in excess of ten (10) Business Days after the event, notice of occurrence of any of the following events with respect to the Bonds:

(i) principal and interest payment delinquencies;

- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2014 Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of holders of the Series 2014 Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of any property securing repayment of the Series 2014 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar proceeding of the Issuer. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
- (xiii) mergers, consolidations, or acquisitions of the Issuer, the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(3) in a timely manner, to the MSRB, notice of its failure to provide the Annual Information with respect to itself on or prior to September 30 following the end of the preceding Fiscal Year.

For purposes of this Section 4, "MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

The foregoing covenants shall run to the benefit of the Owners and the beneficial owners of Series 2014 Bonds owned in book-entry format. However, failure to meet the covenants set forth in this Section 4 shall not be deemed to constitute an Event of Default or a breach of any other covenant under this Resolution or the Bond Resolution, and the sole remedy for such a default or breach shall be as described in the next paragraph.

Any Owner or any beneficial owner may either at law or in equity, by suit, action, mandamus or other proceeding in any court or competent jurisdiction, protect and enforce any and all rights granted or contained in this Section 4 and may enforce and compel the performance of all duties required hereby to be performed by the Issuer or by any officers thereof.

Notwithstanding any other provision of this Resolution or the Bond Resolution, this Section 4 may be amended only as follows: (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature

or status of the Issuer or the type of business conducted by the Issuer; (b) the provisions of this Section 4, as amended, would have complied with the requirements of Rule 15c2-12 of the Securities and Exchange Commission as in effect as of the date of issuance of the Series 2014 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially impair the interest of the Owners and/or beneficial owners as determined by an opinion of Bond Counsel delivered to the Issuer, or by approving vote of the Owners or beneficial owners of a majority in principal amount of the Outstanding Series 2014 Bonds at the time of the amendment. In the event of any amendment hereto, the annual financial information provided subsequent to such amendment shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided by the Issuer. If the amendment affects the accounting principles to be followed in preparing financial statements of the Issuer, the annual financial information for the year in which the change is made must present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison must include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles must be sent to the MSRB.

Section 5. Trustee. The President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized and directed for and in the name of the Issuer to execute and deliver a Trustee Agreement (the "Trustee Agreement") between the Issuer and the Trustee, in such form as shall be approved by the official executing the same consistent with this Resolution and the terms of the Act, with such execution to constitute conclusive evidence of such approval.

Section 6. Authority to Award the Series 2014 Bonds. The Issuer hereby determines that a negotiated sale of the Series 2014 Bonds is in the best interest of the Issuer and the citizens and inhabitants of the Issuer by reason of the volatility of the market for bonds such as the Series 2014 Bonds.

Upon establishment of the terms of the Series 2014 Bonds pursuant to Section 3 hereof, the President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized to award the Series 2014 Bonds to the Underwriters at a price of not less than 98% of the par amount of the Series 2014 Bonds, exclusive of any original issue discount or original issue premium. Upon the award of the sale of the Series 2014 Bonds to the Underwriters, the President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized and directed for and in the name of the Issuer to execute and deliver the Bond Purchase Agreement among the Issuer, the Developer and the Underwriters, in such form as shall be approved by the official executing the same consistent with this Resolution and the terms of the Act, with such execution to constitute conclusive evidence of such approval by the Issuer. Prior to the execution by the Issuer of the Bond Purchase Agreement, the Underwriters shall have filed with the Issuer the disclosure statement required by Section 218.385(6), Florida Statutes, and the competitive bidding for the Series 2014 Bonds is hereby waived pursuant to the authority of Section 218.385(1), Florida Statutes.

Section 7. Preliminary and Final Official Statements. The Issuer hereby authorizes the President or Executive Director, jointly and severally, to approve the final form of a Preliminary Official Statement for the Series 2014 Bonds and to "deem final" the Preliminary Official Statement for purposes of Securities and Exchange Commission Rule 15c2-12, and upon such deeming, authorizes the utilization of the Preliminary Official Statement in connection with the offering of the Series 2014 Bonds. The Issuer hereby authorizes the preparation of a final Official Statement relating to the Series 2014 Bonds, which shall be in the form of the Preliminary Official Statement with such changes, alterations and corrections therein as may

be approved by the official of the Issuer executing the same, with such approval to be conclusively established by such execution, and the President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, hereby authorized and directed for and in the name of the Issuer to execute and deliver the Official Statement, as hereby authorized.

Section 8. Application of Bond Proceeds; Costs of Issuance. The proceeds from the sale of the Series 2014 Bonds shall be applied for deposit to the funds and accounts established pursuant to the Bond Resolution, and shall be used to pay such costs of issuance of the Series 2014 Bonds, all as provided in the Certificate as to Bond Terms, appropriately completed, and the President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized and directed to conclusively establish such application of funds by signing the Certificate as to Bond Terms.

Section 9. Execution and Delivery of the Bonds. The President and Secretary are hereby authorized and directed on behalf of the Issuer to execute the Series 2014 Bonds as provided in the Bond Resolution and herein, and such officials are hereby authorized and directed upon the execution of the Series 2014 Bonds in the form and manner set forth herein and in the Bond Resolution to deliver the Series 2014 Bonds in the amount authorized to be issued hereunder to the Trustee for authentication and delivery to or upon the order of the Underwriters upon payment of the purchase price set forth in the Certificate as to Bond Terms as completed pursuant to the provisions of this Resolution.

Section 10. Authorizations. The Supervisors, Secretary and Executive Director of the Issuer are hereby jointly and severally authorized to do all acts and things required of them by this resolution, the Bond Resolution and the Bond Purchase Agreement, or desirable or consistent with the requirements hereof or thereof, for the full, punctual and complete performance of all terms, covenants and agreements contained in the Series 2014 Bonds, the Bond Resolution, this resolution, the Trust Agreement and the Bond Purchase Agreement. Any and all Supervisors are hereby authorized to execute, publish, file and record such other documents, instruments, notices, and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this resolution and the Bond Resolution.

Section 11. Resolution to Constitute a Contract. In consideration of the purchase and acceptance of the Series 2014 Bonds authorized to be issued hereunder by those who shall be the Owners thereof from time to time, this resolution shall constitute a contract between the Issuer and such Owners, and all covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit and security of all of the Owners.

Section 12. No Implied Beneficiary. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this resolution or the Series 2014 Bonds is intended or shall be construed to give any person other than the Issuer, the Trustee, the Underwriters and the Owners, any legal or equitable right, remedy or claim under or with respect to this resolution, or any covenants, conditions and provisions herein contained; this resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Trustee, the Underwriters and the Owners.

Section 13. Severability. If any provision of this resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatsoever, unless the same shall materially and adversely affect the obligations of the Issuer otherwise set forth herein.

Section 14. Repealer. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of any such conflict, hereby superseded and repealed.

Section 15. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED this 25th day of June, 2014.

(SEAL)

President, Board of Supervisors

Attest:

Secretary, Board of Supervisors

APPENDIX B

UNIT OF DEVELOPMENT No. 2C

Plan of Improvements

Northern Palm Beach County Improvement District

August 2013

Latest Revision February 14, 2014



2081 Vista Parkway, Suite 200
West Palm Beach, Florida 33411
561-697-7000
561-697-7751 - fax

TABLE OF CONTENTS

DISCLAIMER	Page 3
ENGINEER'S CERTIFICATION	Page 4
SECTION I INTRODUCTION	Page 5
A. General	
B. Authorization	
C. Lands in Unit No. 2C	
D. Acknowledgments	
E. Purpose and Scope	
SECTION II EXISTING CONDITIONS	Page 6
A. Topography	
B. Climatology	
C. Soils and Vegetation	
D. Utilities	
E. Land Use and Zoning	
F. Drainage	
SECTION III PLAN OF IMPROVEMENTS	Page 7
A. Incorporation by Reference	
B. Description of Improvements	
C. Community Infrastructure	
D. Parcel Infrastructure	
SECTION IV PROPERTY INTERESTS	Page 14
SECTION V MAINTENANCE RESPONSIBILITY	Page 14
SECTION VI METHOD OF FINANCING	Page 15
SECTION VII RECOMMENDATIONS	Page 15
EXHIBITS:	
Exhibit "A" – Location Map	
Exhibit "B" – Land Use Plan	
Exhibit "C" – Roadway Improvements	
Exhibit "D" – Parcel Exhibit	
Exhibit "E" – Wetland / Upland Preserve and Buffer Exhibit	

DISCLAIMER

This document is a copy and is being provided at the request of **Northern Palm Beach County Improvement District** for informational purposes only. The signed and sealed original of this document was filed with **Northern Palm Beach County Improvement District**, 359 Hiatt Drive, Palm Beach Gardens, Florida.

ENGINEER'S CERTIFICATION

I **HEREBY CERTIFY**, as a Professional Engineer in the State of Florida, that the information in this **Plan of Improvements for Northern Palm Beach County Improvement District Unit of Development No. 2C** was assembled under my direct responsible charge. The information provided herein was based on the information that was available and obtained from *Michael B. Schorah and Associates, as Project Engineer*. The below stated certifying Engineer cannot be responsible for added or deleted information once distributed. This Plan of Improvements is not intended or represented to be suitable for any reuse without specific verification or adoption by the Engineer. This verification is provided in accordance with the Florida Board of Professional Engineers' Rule on Certification under Chapter 61G15-18.011(4).

Robert W. Lawson, P.E.
FL P.E. Number: 26640

Date

ARCADIS U.S., Inc.
2081 Vista Parkway
West Palm Beach, FL 33411
Phone: 561-697-7002
Fax: 561-697-7751

I. INTRODUCTION

A. General

The Northern Palm Beach County Improvement District (“Northern”) was created by predecessor legislation to its now codified Chapter 2000-467, Laws of Florida and operates according to Chapter 2000-467, Laws of Florida, as amended and applicable provisions of Chapter 298, Florida Statutes. Northern is empowered to construct and maintain public works and utilities including water, sewer, drainage, irrigation, water management, parks, recreational facilities, roadway, and other works and activities, all as more particularly described in the Chapter 2000-467, Laws of Florida, as amended.

Northern is governed by a five-member Board of Supervisors, each of whom holds office for a four-year term. Of the five Board members, four are elected through qualified electors as part of the general election process. The fifth Board Member is elected at an Annual Landowner’s Meeting that is held in November. At the Landowner’s Meeting, any landowner owning an acre or fraction thereof of real property within Northern’s jurisdictional boundary is entitled to vote, on an owned acreage basis, for this Supervisor position.

Northern’s Board of Supervisors meet regularly on the fourth Wednesday of each month, but has also typically advertised to hold a regular meeting on the second Wednesday of each month, if necessary.

B. Authorization

A written petition was previously submitted to Northern requesting the formation of a Unit of Development by Lester Family Investments, L.P., as the majority landowners (the “Landowners”) of the property within the geographical area comprising the requested Unit. Subsequently, Unit of Development No. 2C (“Unit 2C”) was formed and its jurisdictional boundaries established under resolutions adopted by the Board of Supervisors of the Northern Palm Beach County Improvement District in September and October of 2008.

C. Lands in Unit No. 2C

Unit 2C is located in the City of Palm Beach Gardens, Florida and contains approximately 681.69 acres in Sections 26 and 35, Township 41 South, Range 42 East. The Unit lies on both sides of Interstate 95 and is generally bounded by Donald Ross Road on the North, Florida’s Turnpike on the West, Hood Road on the South, and the western boundary of the San Michele, Benjamin School, and Legends at the Gardens developments on the east as depicted in Exhibit “A” of this report.

The acreage comprising Unit 2C is planned to include Retail, Industrial/R&D/Biotech, Office, Hotel, Utility, Apartment, and Residential uses as depicted on Map H, included herein as Exhibit “B” of this Plan of Improvements. Although development plans are expected to follow these general guidelines, exact uses and locations may be amended from time to time.

D. Acknowledgements

Northern's District Engineer would like to acknowledge the efforts of Northern's Unit No. 2C Project Engineer, Michael B. Schorah and Associates, Inc., the Landowner's entitlement consultant, Urban Design Kilday Studios, and the Landowner and its developer team members for their efforts and assistance in preparation of this Plan.

E. Purpose and Scope

The purpose of this Plan of Improvements ("Plan") is to present the nature and extent of the proposed improvements which are to be implemented by Northern and maintained by either Northern or another legally empowered entity.

This Plan is not intended to be used for exact representation or for construction purposes since detailed construction plans and specifications will be prepared at a later date for the Improvements authorized by the Plan.

II. EXISTING CONDITIONS

A. Topography

The undeveloped land in Unit 2C ranges in elevation from 14.0 feet NGVD to 16.0 feet NGVD. The Unit consists of predominantly pine flatwoods and depressional wetlands and dry prairies, but does contain some unimproved and improved pasture.

B. Climatology

Unit 2C is located in a subtropical climate zone. Winters are generally mild to dry while summers are usually warm and rainy. The annual temperature averages approximately 75 degrees Fahrenheit. Approximately 70 percent of the annual 60 inches of rainfall occurs between June and October each year. Maximum and minimum annual recorded rainfalls in this area are 100 inches and 40 inches, respectively.

C. Soils and Vegetation

The project site is mostly undeveloped consisting of predominately pine flatwoods, mixed hardwood-pine forest, hardwood hammock, dry prairie, and scattered isolated wetlands and other surface waters totaling approximately 85.97 acres. A large portion of the upland and wetland areas contain coverage of exotic plant species such as Melaleuca, Brazilian Pepper, Australian Pine, and Climbing Fern. There is a mixture of improved and unimproved pasture encompassing approximately 50 acres on the parcel west of Interstate 95. The United States Department of Agriculture Soil Conservation Service Soil Survey of Palm Beach County, Florida identified the existing wetland soils in this area as Sanibel and Okeelanta muck and Basinger and Myakka depressional fine sand.

Utilities

Potable water and sanitary sewer service will be provided by Seacoast Utility Authority ("Seacoast"). Florida Power and Light Company will provide electrical service and AT&T will provide landline telephone service.

D. Land Use and Zoning

Unit 2C is located in the City of Palm Beach Gardens, Florida. Unit 2C is classified as a Development of Regional Impact ("DRI") and has received a number of approvals from the City of Palm Beach Gardens including a land use change, zoning, and DRI approvals. The City of Palm Beach Gardens approved the DRI under Resolution 80-2009 adopted by City Council on April 1, 2010. Exhibit "B" of this Plan of Improvements is a copy of Map H approved during the DRI process and shows the intensity of development by use classification.

E. Drainage

Unit 2C represents the western-most sub-basin of Northern's separate Unit of Development No. 2A within Northern and generally drains from west to east through the Unit 2A system of canals, lakes, and control structures. Unit 2A was formed by Northern and master water management system improvements were permitted and constructed to address flooding that occurred within Northern's pre-existing Unit No. 2 where homes in some portions of Unit 2 had been flooded under tropical storm conditions. Unit 2A was formed by Northern when the MacArthur Foundation divested its property interests, opening up a significant amount of property in the City of Palm Beach Gardens for development.

III. PLAN OF IMPROVEMENTS

A. Incorporation by Reference

In compliance with Florida Statute 298.225(3), all Northern Chapter 189.415 Facility Reports are incorporated by reference and made a part hereof. The Facility Reports are available for inspection and copying at Northern's administrative headquarters. Upon final completion, all record drawings of the Improvements authorized by this Plan are incorporated herein by this reference.

B. Description of Improvements

For purposes of this report the term "Public Infrastructure" shall include two categories of improvements. As more fully described below, "Community Infrastructure" improvements are those public improvements that will benefit all lands within Unit 2C, while "Parcel Infrastructure" improvements are those public improvements that will benefit only the lands within specified Parcels of Unit No. 2C. All land within Unit 2C is referred to as the "Unit Property."

The components of the Community Infrastructure identified herein are those public improvements which are anticipated to be necessary to complete the development of the Unit Property based on current development approvals and development plans, all of which are subject to change as a result of market conditions and permitting requirements. Each component of the Community Infrastructure will specially benefit all

of the Unit Property and is not considered specific to any one of the Parcels. It is intended that all of the Unit Property within Unit 2C will share in the cost of the Community Infrastructure based on their relative benefit to such acreage.

The components of Parcel Infrastructure identified herein include public improvements basic to supplying urban services to acreage within each individual Parcel. Components of Parcel Infrastructure would specially benefit only the Unit Property located within a Parcel and are therefore considered to be specific for that Parcel. Costs associated with the construction of Parcel Infrastructure would be assessed to only those properties within a Parcel that are specially benefited and therefore also subject to a separate allocation of benefits.

In assessing the benefits and damages to be incurred as a result of the construction of this Plan of Improvements, the District Engineer shall take into consideration the varying types of existing or proposed land uses that are anticipate to be affected by the construction of the Plan of Improvements and that the Engineer's Report so assess the benefits and damages.

C. Community Infrastructure

Surface Water Management System

The surface water management system for Unit 2C will be designed to meet the requirements of the South Florida Water Management District (SFWMD), Army Corps of Engineers (ACOE), Northern, the City of Palm Beach Gardens, and other regulatory agencies having jurisdiction.

The surface water management system will be comprised of a series of interconnected lakes, conveyance systems, and control structures to collect, store, and discharge runoff through two previously approved off-site discharge locations between Unit 2C and Central Boulevard. The surface water management system may include water quality enhancement features up to, and including aerators.

The latest SFWMD Permit No. 50-00610-S-24, issued under Application 090427-7 on May 4, 2010, granted conceptual approval for the surface water management system for the Unit Property in Unit 2C and established three separate drainage Basins as indicated below. Basin B1-W includes all Unit Property located west of Interstate 95. The remaining Unit Property located east of Interstate 95 is divided into Basin A1 to the north along Donald Ross Road and Basin B1-E to the south along Hood Road. In addition to the location and maximum discharge established in SFWMD Permit No. 50-00610-S for Unit 2A being adhered to, the separate Permit No. 50-00610-S-24 for Unit 2C establishes minimum finished floor, road crown, and parking lot elevations for the three Basins included in the Unit Property as follows:

Minimum Finished Floor Elevation

Basin B1-W	18.80 NGVD
Basin B1-E	18.40 NGVD
Basin A1	18.50 NGVD

Minimum Road Crown Elevation

Basin B1-W	16.70 NGVD
Basin B1-E	16.20 NGVD
Basin A1	16.40 NGVD

Minimum Parking Lot Elevation

Basin B1-W	16.70 NGVD
Basin B1-E	16.20 NGVD
Basin A1	16.40 NGVD

Permits from some or all of the following agencies may need to be obtained prior to construction of the Surface Water Management System Improvements:

- Florida Department of Environmental Protection (NPDES)
- City of Palm Beach Gardens
- Northern Palm Beach County Improvement District
- South Florida Water Management District
- US Army Corps of Engineers
- Palm Beach County
- Florida Fish and Wildlife

Off-Site Roadway Intersection Improvements – The DRI for Unit 2C requires that improvements be made to off-site intersections on Donald Ross Road to accommodate this project’s roadway connections along with other site specific turn lane improvements within the Donald Ross Road right of way. Site specific turn lane and intersection improvements within the Hood Road right of way at this project’s roadway connections will also be required.

Off-Site roadway intersection and turn lane improvements required by the DRI as a part of this project and which are included in the Plan of Improvements are as follows:

31.a Donald Ross Road and Heights/Pasteur Boulevard

Northbound	Two left-turn lanes One through lane One right-turn lane
Southbound	Two left-turn lanes One through lane One free-flow right-turn lane
Eastbound	Two left-turn lanes Three through lanes One right-turn lane
Westbound	Two left-turn lanes Three through lanes One right-turn lane

31.b Donald Ross Road and Parkside Drive/Alton Road

Northbound	Two left-turn lanes One through lane One right-turn lane
Southbound	One left-turn lanes One through lane One right-turn lane
Eastbound	Two left-turn lanes Three through lanes

Westbound One right-turn lane
Two left-turn lanes
Three through lanes
One right-turn lane

31.e Grandiflora Road and Central Boulevard

Northbound Two left-turn lanes
Two through lanes
Southbound One left-turn lane
Two through lanes
One right-turn lane
Eastbound One left-turn lane
One through lane
One right-turn lane
Westbound One left-turn/through lane
One right-turn lane

31.f Hood Road and Alton Road

Northbound One left-turn lane
One through lane
Southbound One left-turn lane
One through lane
Eastbound One left-turn lane
One through lane
One right-turn lane
Westbound One left-turn lane
One through lane
One right-turn lane
Signalization when warranted

32.a Donald Ross Road and Pasteur Boulevard

Northbound Add third left-turn lane

32.b Grandiflora Road and Central Boulevard

Westbound Add a separate through lane

33.a Hood Road and Western Entrance to Parcel G

Southbound Two exiting lanes
Eastbound One through lane
One left-turn lane
Westbound One right-turn lane
One through lane
Signalization when warranted

33.b Hood Road and Eastern Entrance to Parcel G

Northbound One left-turn lane
One through lane
Southbound One left-turn lane
One through lane
Eastbound One left-turn lane
One through lane
One right-turn lane

Westbound One left-turn lane
 One through lane
 One right-turn lane
Signalization when warranted

Other off-site impacts to the City, State, and County roadway system are being mitigated through the payment of proportionate share contributions as specified in the Proportionate Share Agreement dated January, 12, 2010 between the Landowner, City of Palm Beach Gardens, Palm Beach County, District Four of the Florida Department of Transportation, Florida's Department of Transportation Turnpike Enterprise, and Northern to the extent of a limited consent. Improvements to be made under the Proportionate Share Agreement are not a part of this Plan of Improvements.

On-Site Roadway Improvements – Alton Road, Pasteur Boulevard, and Grandiflora Road will be constructed within Unit 2C to provide access to the development Parcels, businesses, and employment centers located on the east side of I-95 between Donald Ross Road and Hood Road. The location of these on-site roadways is shown on Exhibit "C" in this Plan.

The number of lanes to be constructed on the above three roadways are as follows:

Alton Road from Donald Ross Road to Grandiflora Road (Approx. 7,500 LF)

- Varies from 120 foot to 136 foot right of way with four lane divided section, transit stop, on-street parking, bicycle lanes, median landscape, street lights, and pedestrian walks

Pasteur Boulevard from Donald Ross Road to Alton Road (Approx. 8,700 LF)

- 100 foot right of way with four lane divided section, bicycle lanes, median landscape, street lights, and pedestrian walks

Grandiflora Road from Alton Road to Central Boulevard (Approx. 4,200 LF)

- 100 foot right of way with four lane divided section, on-street parking, bicycle lanes, median landscape, street lights, and pedestrian walks

Alton Road from Grandiflora Road to Hood Road (Approx. 6,400 LF)

- 80 foot right of way with two lane divided section, on-street parking, bicycle lanes, median landscape, street lights, and pedestrian walk

Permits from some or all of the following agencies may need to be obtained prior to construction of the Off-Site and On-Site Roadway Improvements:

- Florida Department of Transportation
- Florida Department of Environmental Protection (NPDES)
- Palm Beach County
- City of Palm Beach Gardens
- Town of Jupiter

Lighting and Utility Sleeves – Street and pedestrian path lighting is a part of the on-site Community Infrastructure and will be constructed within street rights-of-ways and public access easements located adjacent to public roadways. The lighting improvements will be owned, operated, and maintained by Northern.

On-Site Water and Sewer Collection and Transmission Improvements - Water lines ranging in size from 8 inch to 12 inch will be constructed to service the Unit. Gravity sewer lines, manholes, lift stations, and force mains will be constructed to service the Unit. Both the water main and sewer collection and transmission systems will be constructed in accordance with Seacoast Utility Authority standards and will be turned over to Seacoast for operation and maintenance upon completion and acceptance.

Permits from some or all of the following agencies may need to be obtained prior to construction of the Water and Sewer Collection and Transmission Improvements:

- Seacoast Utility Authority
- Palm Beach County Health Department
- Florida Department of Environmental Protection (NPDES)
- Palm Beach County
- City of Palm Beach Gardens

Landscape and Hardscape Improvements – An extensive landscape buffer will be installed within public access easements along Donald Ross Road and other on-site Community Infrastructure roadways within the Unit Property and will include pedestrian circulation path and hardscape improvements such as entry features, and overlooks with park benches. Additional landscape buffers are planned along portions of the east and south boundaries of the Unit where existing upland buffers are not sufficient to screen adjacent properties. Upland and PCD buffer locations are shown in Exhibit E.

Permits from the following agencies will need to be obtained prior to construction of the Landscape and Hardscape Improvements:

- City of Palm Beach Gardens
- Seacoast Utility Authority

Wetland and Upland Preserves – The undeveloped Unit 2C property contains 34 wetland areas totaling approximately 83.21 acres and approximately 2.76 acres of other surface waters as determined in a Formal Wetland Determination Permit issued by SFWMD as Permit No. 50-00009-F in March of 2009. Upland Preserve areas adjacent to the preserved wetland and the perimeter of the Unit, as shown on Exhibit E, are a part of the Plan.

Preservation and enhancement of 7.50 acres of existing on-site wetland, Upland Preserve area exotic plant removal and planting, littoral zone planting, and transitional zone planting associated with the overall water management system are a part of this Plan. Wetland and Upland Preserve area management will be the responsibility of Northern when completed.

An U.S Army Corps of Engineer's permit for impacts to wetlands and other surface waters associated with the Unit 2C Plan was issued under SAJ-2009-01720 (IP-EGR)

Inspection Fees – Inspection fees will be charged by some or all of the approving agencies as a condition of their ultimate acceptance of the Improvements and are included in the Plan of Improvements

Some of the agencies that will require that inspection fees be paid are:

- Seacoast Utility Authority
- City of Palm Beach Gardens

Additional permits from some or all of the following agencies may need to be obtained prior to work on the Wetland and Upland Preserves being initiated or modified:

- Florida Department of Environmental Protection (NPDES)
- City of Palm Beach Gardens
- Northern Palm Beach County Improvement District
- South Florida Water Management District
- U.S. Army Corps of Engineers
- Florida Fish and Wildlife

D. Parcel Infrastructure

Parcel Roadways – These roadways will include various components of a modern roadway system and will vary in typical section from four-lane divided with median landscaping and signage at the main entrance to a parcel, to two-lanes with on street parking and sidewalks. The primary purpose for these roadways will be to provide vehicular and pedestrian access to the residential lots, apartments, and neighborhood parks to be developed in each Parcel.

Drainage System – The primary purpose of a Parcel's drainage system will be the collection and transmission of runoff from the lots, streets, and parking areas to the master surface water management system constructed as a part of the Community Infrastructure. The drainage system will be made up of inlets and pipes sized to meet the needs of each Parcel.

Water Distribution System – The water distribution system will be sized to provide fire protection and water service to a point of connection specified for each individual user within a parcel. The line sizes will vary from 6 inch to 10 inch with the majority of the lines being 8 inch in size. Once a Parcel's water distribution system is constructed and tested, it will be conveyed to the Seacoast Utility Authority for ownership and maintenance.

Wastewater Collection and Transmission System – The wastewater collection and transmission system will be sized to provide sanitary sewer service to the boundary of each individual user within a Parcel. The line sizes will include 6 inch service lines and 8 inch main lines to collect wastewater and transmit to centrally located pump stations. The pump stations and force mains will be sized to transmit the sewage to Seacoast for treatment and disposal. Once the wastewater collection and transmission system is constructed and tested, it will be conveyed to the Seacoast Utility Authority for ownership and maintenance.

Landscape Buffer Walls – Landscape buffer walls along the frontage of Florida's Turnpike and I-95 adjacent to Parcel G are included in the Plan. The walls will be constructed within buffer easements or Tracts dedicated to Northern. Maintenance of the completed walls will be the responsibility of Northern.

Inspection Fees – Inspection fees will be charged by some or all of the approving agencies as a condition of their ultimate acceptance of the Improvements and are included in the Plan of Improvements

Some of the agencies that will require that inspection fees be paid are:

- Seacoast Utility Authority
- City of Palm Beach Gardens

Permits from some or all of the following agencies may need to be obtained prior to construction of Parcel Infrastructure Improvements:

- Florida Department of Environmental Protection (NPDES)
- City of Palm Beach Gardens
- Northern Palm Beach County Improvement District
- South Florida Water Management District
- Palm Beach County
- Seacoast Utility Authority
- Palm Beach County Health Department

IV. PROPERTY INTERESTS

Northern will require that it be provided certain real property interests, including fee simple title if requested by Northern, rights-of-way, easements, and access as necessary for the operation and maintenance of any herein authorized Unit 2C Improvements at no cost to Northern. It will also be required that all lands, easements and rights-of-way needed by Northern, City of Palm Beach Gardens, and Seacoast Utility Authority, in order to operate and maintain the Improvements to be constructed and/or funded by Northern, are donated by the Landowner at no cost to any of the said entities.

V. MAINTENANCE RESPONSIBILITY

Maintenance and operational responsibilities by Northern will include exotic and aquatic weed control for the lakes and preserve areas, surface water management system, and maintenance of water control structures. The City of Palm Beach Gardens is expected to accept ownership and the maintenance responsibility for Alton Road, Pasteur Boulevard, and Grandiflora Road. It is expected that Northern will maintain Community Infrastructure Improvements made up of the lighting, landscape, irrigation, and pedestrian walkways located within Unit 2C not turned over to the City of Palm Beach Gardens. It is also expected that Northern will maintain Parcel Infrastructure Improvements made up of roadway, drainage, and landscape buffer wall Improvements that are included as a part of the Plan.

Off-site roadway and intersection Improvements included in the Plan are expected to be turned over to Palm Beach County, the City of Palm Beach Gardens, or the Town of Jupiter for operation and maintenance once the Improvements are completed and accepted.

Northern may enter into high level maintenance agreement with a property owner's association or similar entity for the maintenance of some or all of the Improvements authorized in the Unit 2C Plan.

Seacoast Utility Authority will be responsible for the maintenance and operation of the water and sewer Improvements once construction is completed and an acceptable turnover package for said Improvements is submitted and approved by Seacoast.

VI. METHOD OF FINANCING

Several alternative methods of funding the implementation of the Improvements authorized in the Plan of Improvements which are to be constructed on existing or Landowner provided public property interests are available to Northern in accordance with past policy and applicable state statutes.

Those methods are as follows:

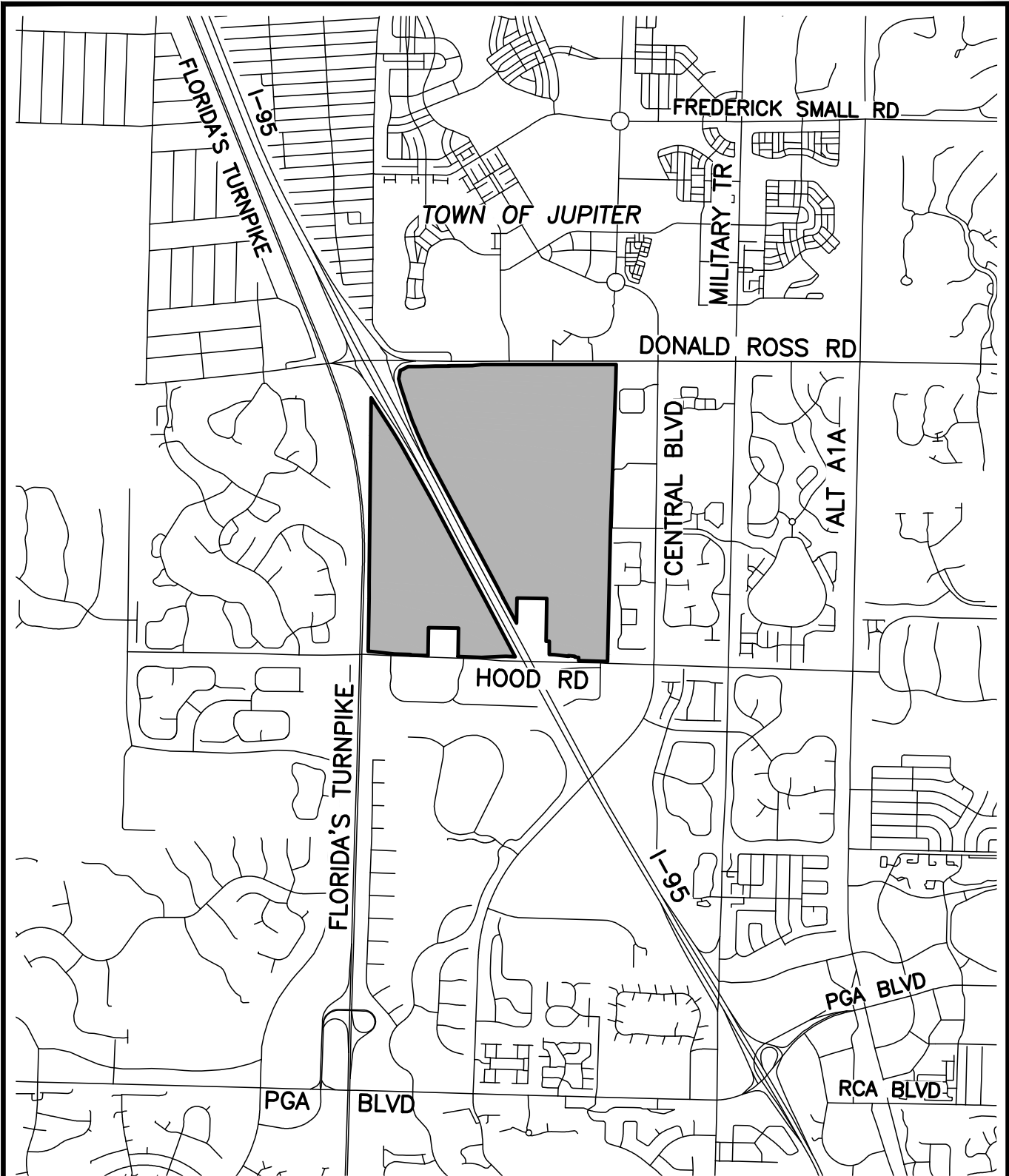
- A. Donations by the Landowner of the Unit's Improvements provided such Improvements are constructed in accordance with plans and specifications approved by the Northern Engineer.
- B. Donation of funding by the Landowner to Northern for construction of authorized Improvements.
- C. Construction of authorized Improvements utilizing the sale of Northern tax-exempt bonds or notes that will be repaid from annual non-ad valorem assessments levied upon the benefitted and assessable lands within the Unit until the indebtedness is retired.
- D. A combination of A, B and C above including the authority, if Northern so determines, to reimburse the Landowner for any funds previously advanced by them to Northern, to the extent said Improvements, works or services are authorized in the Plan.

VII. RECOMMENDATIONS

Based on the information presented in this Plan, the following recommendations are made:

- A. That the Unit 2C Plan of Improvements be approved by the Northern Palm Beach County Improvement District Board of Supervisors
- B. That all lands, rights-of-way or easements required for authorized Improvements in the Plan be furnished to Northern, City of Palm Beach Gardens, Seacoast Utility Authority, and other governmental entities and agencies in fee simple title and/or by perpetual easement, as the case may be, in accordance with their respective policies and at no cost to said entities.
- C. That the Improvements presented in this Plan be implemented; and upon their completion, maintained and operated for benefitted lands within Unit 2C.

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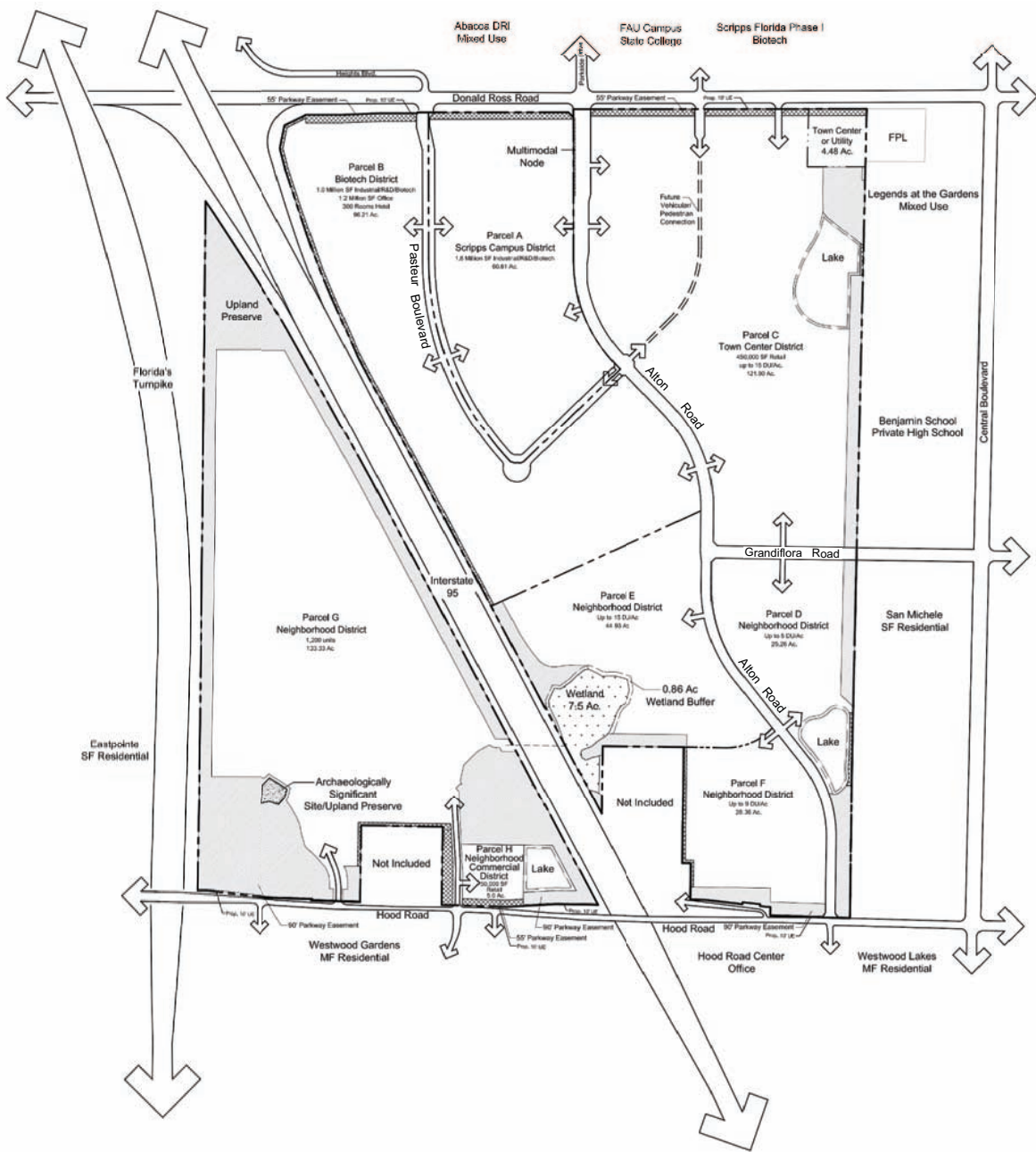
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LOCATION MAP

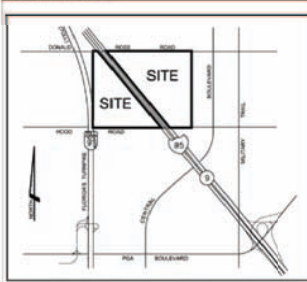
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
UNIT OF DEVELOPMENT NO. 2C

EXHIBIT A

ARCADIS U.S., Inc.
2081 Vista Parkway, West Palm Beach, Florida 33411
Tel: (561) 697-7000 Fax: (561) 697-7751
www.arcadis-us.com



Location Map



Development Program

West Parcel	206.38 Ac.
Retail	50,000 sq ft
Apartments	350 units
Multifamily	600 units
Single Family	250 units
East Parcel	475.31 Ac.
Industrial/R&D/Biotech	2,600,000 sq ft
Office	1,200,000 sq ft
Hotel	300 rooms
Retail	450,000 sq ft
Apartments	350 units
Multifamily	600 units
Single Family	350 units
Hospitals	per conversion matrices
Post Secondary Schools	per conversion matrices

Open Space:

A minimum of 136.34 acres of open space will be provided.

Access Points:

All internal access points indicated on Map H are illustrative and should not be construed to be accurate in quantity or location.

Disclaimer:

Roadways/Parcel Boundaries/Lakes: Internal roadway parcel locations and parcel boundaries may be adjusted to reflect site engineering. Points of external access may not be significantly modified. Lake parcels are conceptual and lake configurations will be finalized during site plan approval process.

Legend

- Wetland 7.5 Ac.
Wetland Buffer 0.86 Ac.
- Upland Preserve/Restoration 83.26 Ac.
(An additional 12.34 Ac. will be preserved off site)
- Parkway Easement/PCD Buffers
- Archaeologically Significant Site/
Upland Preserve 0.71 Ac.
- Lake
- Multimodal Node

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STUDIOS**

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Landscape Architecture
Communication Graphics
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477 S. Rosemary Ave., Suite 225
West Palm Beach, FL 33401
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Date:	11.28.09
Project No.:	04-019-005
Designed By:	SC/LMB
Drawn By:	SC/LMB
Checked By:	SC/LMB
Submitted Date:	Comments
	01.08.09
	06.20.09
	08.11.09
	11.05.09
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**Scripps Florida Phase II
Brigr Tract DRI**
Palm Beach Gardens, Florida

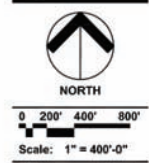
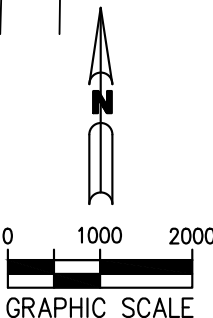
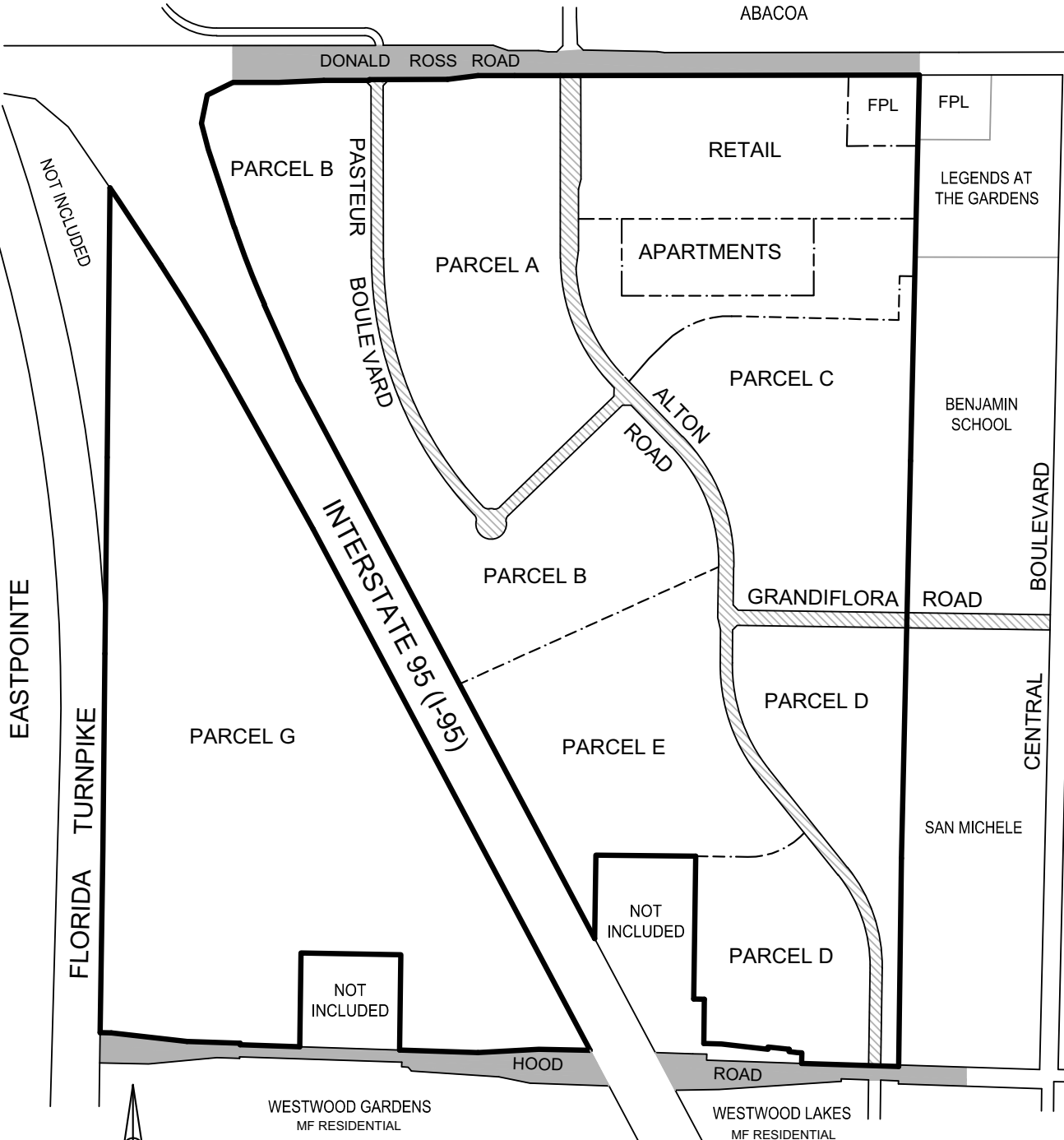


EXHIBIT B

**Sheet 1
of 1**

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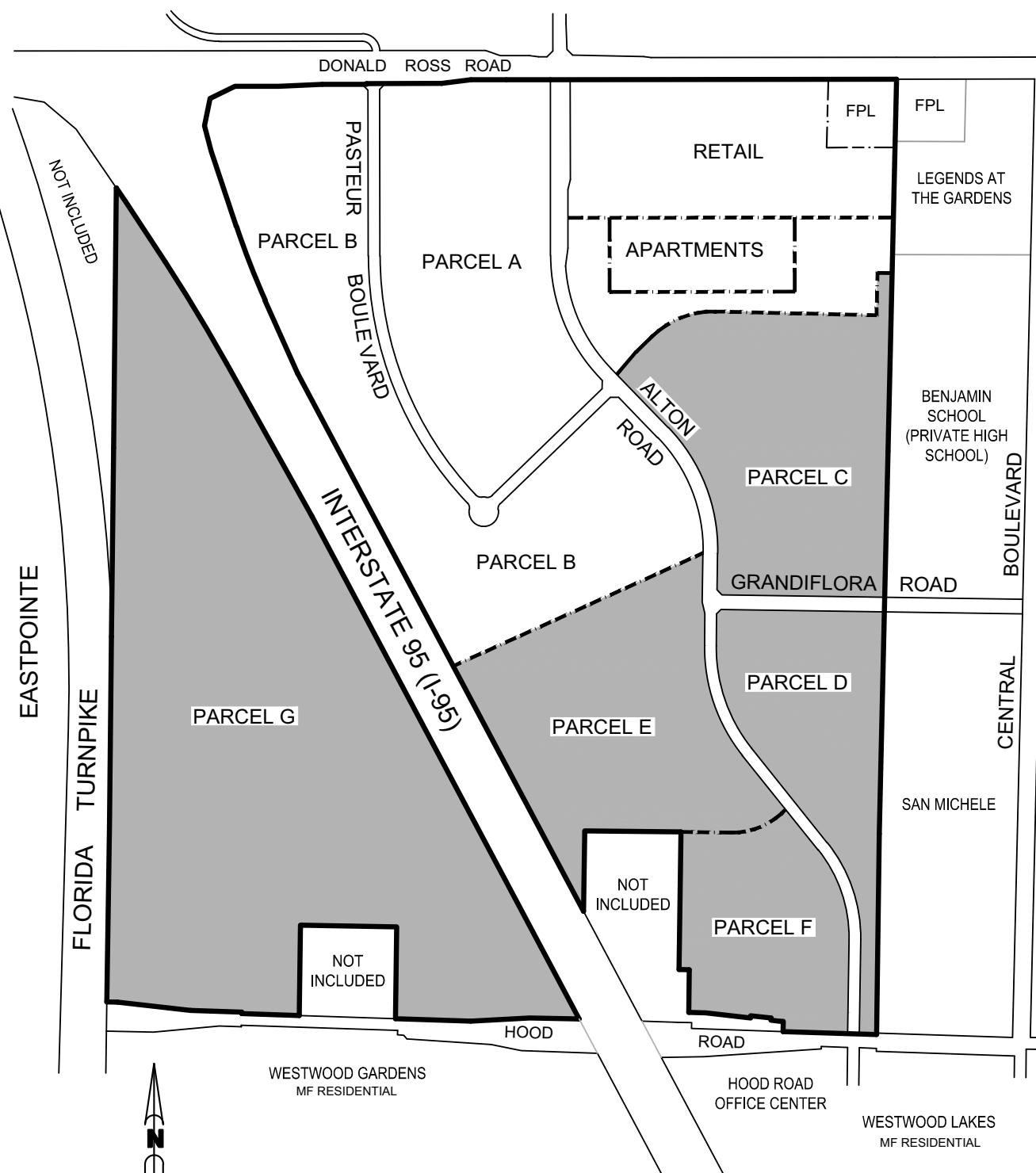
- OFF-SITE
- ON-SITE

EXHIBIT C

COMMUNITY INFRASTRUCTURE ROADWAYS
 NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
 UNIT OF DEVELOPMENT NO. 2C

ARCADIS
ARCADIS U.S., Inc.
 2081 Vista Parkway, West Palm Beach, Florida 33411
 Tel: (561) 697-7000 Fax: (561) 697-7751
 www.arcadis-us.com

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EASTPOINTE

FLORIDA TURNPIKE

DONALD ROSS ROAD

PASTEUR BOULEVARD

INTERSTATE 95 (I-95)

ALTON ROAD

GRANDIFLORA ROAD

CENTRAL BOULEVARD

HOOD ROAD

ROAD

WESTWOOD GARDENS MF RESIDENTIAL

HOOD ROAD OFFICE CENTER

WESTWOOD LAKES MF RESIDENTIAL

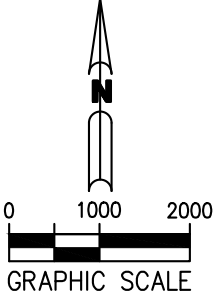
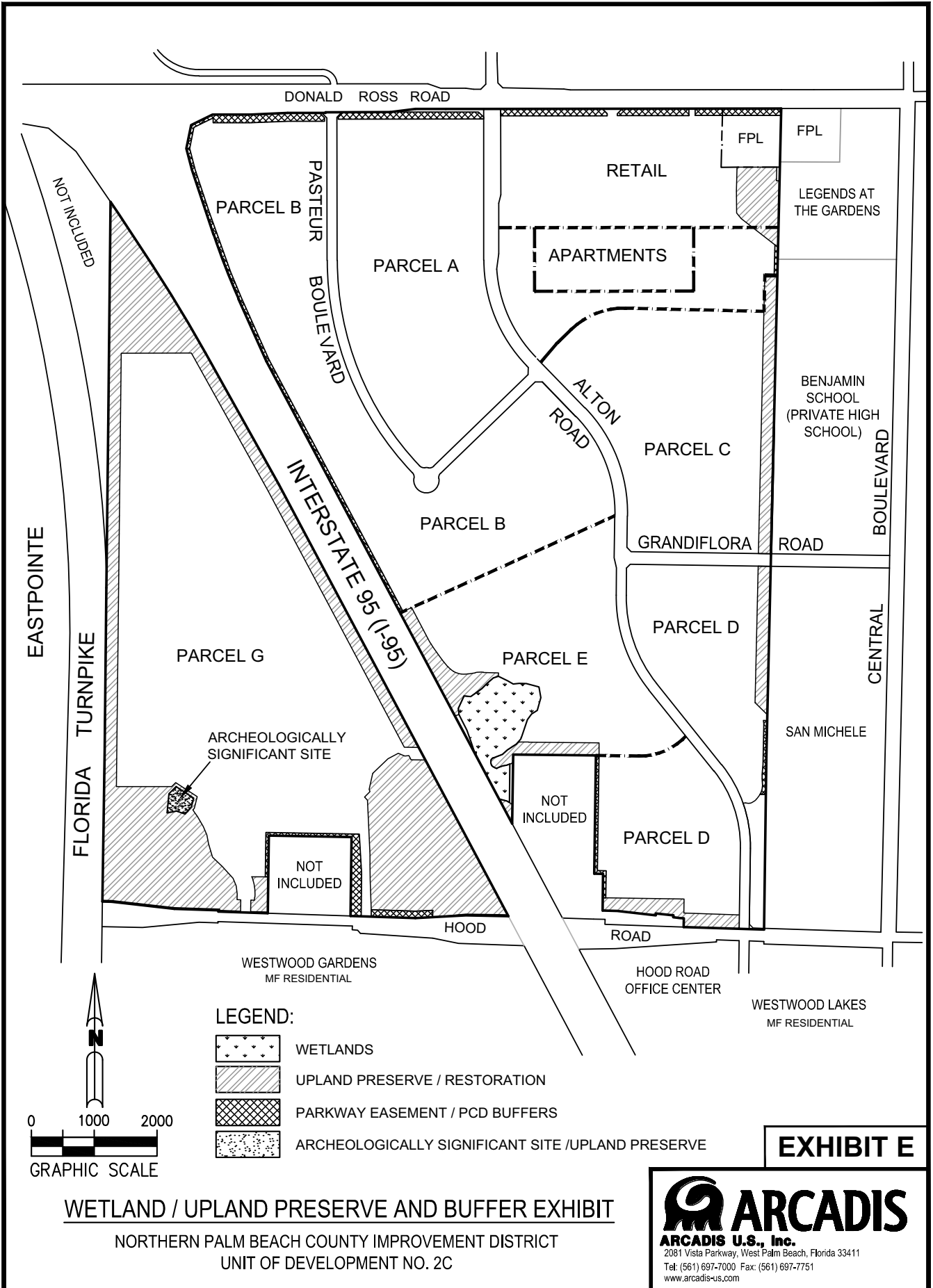
EXHIBIT D

PARCEL INFRASTRUCTURE EXHIBIT

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
UNIT OF DEVELOPMENT NO. 2C

ARCADIS
ARCADIS U.S., Inc.
 2081 Vista Parkway, West Palm Beach, Florida 33411
 Tel: (561) 697-7000 Fax: (561) 697-7751
 www.arcadis-us.com

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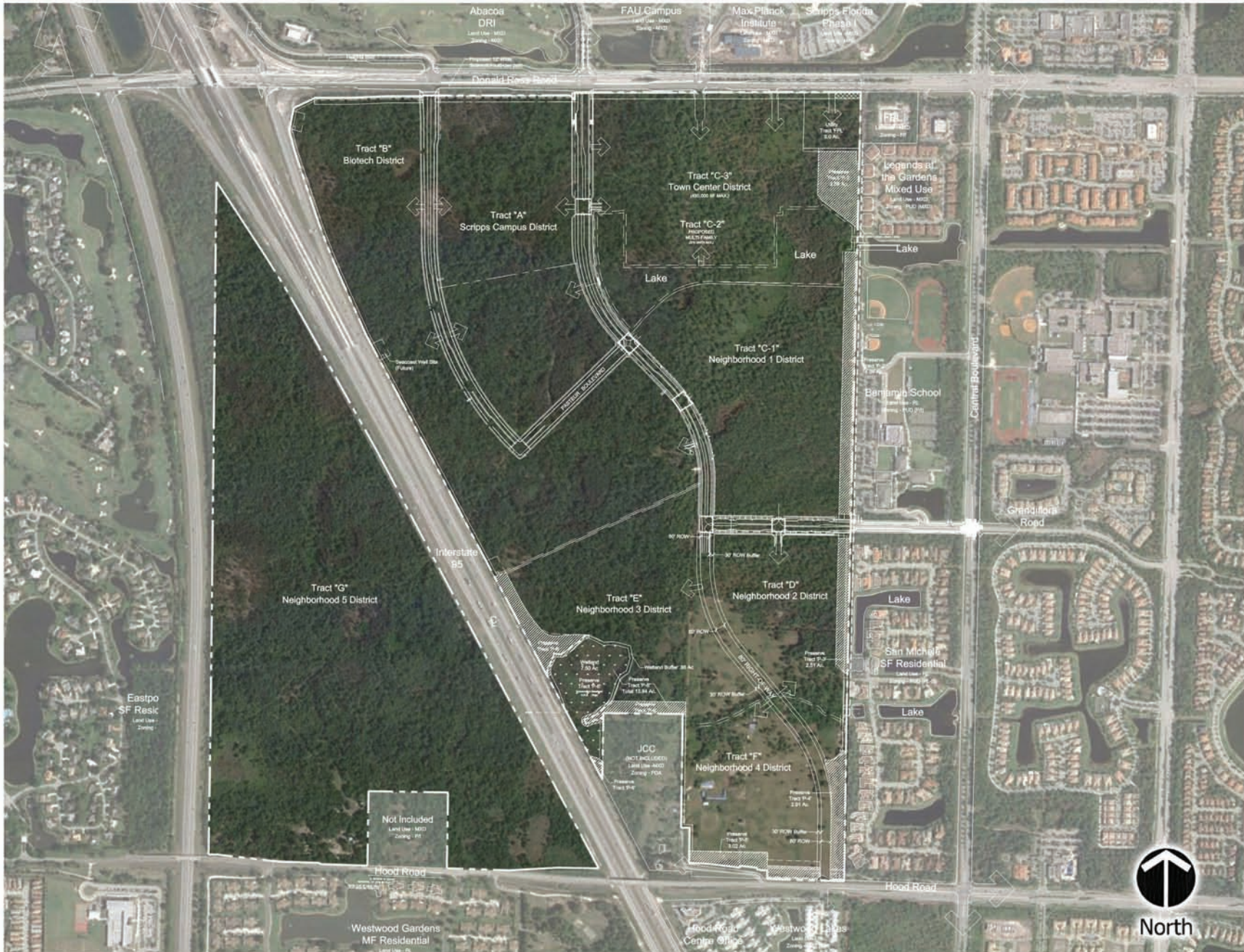


- LEGEND:**
- WETLANDS
 - UPLAND PRESERVE / RESTORATION
 - PARKWAY EASEMENT / PCD BUFFERS
 - ARCHEOLOGICALLY SIGNIFICANT SITE / UPLAND PRESERVE

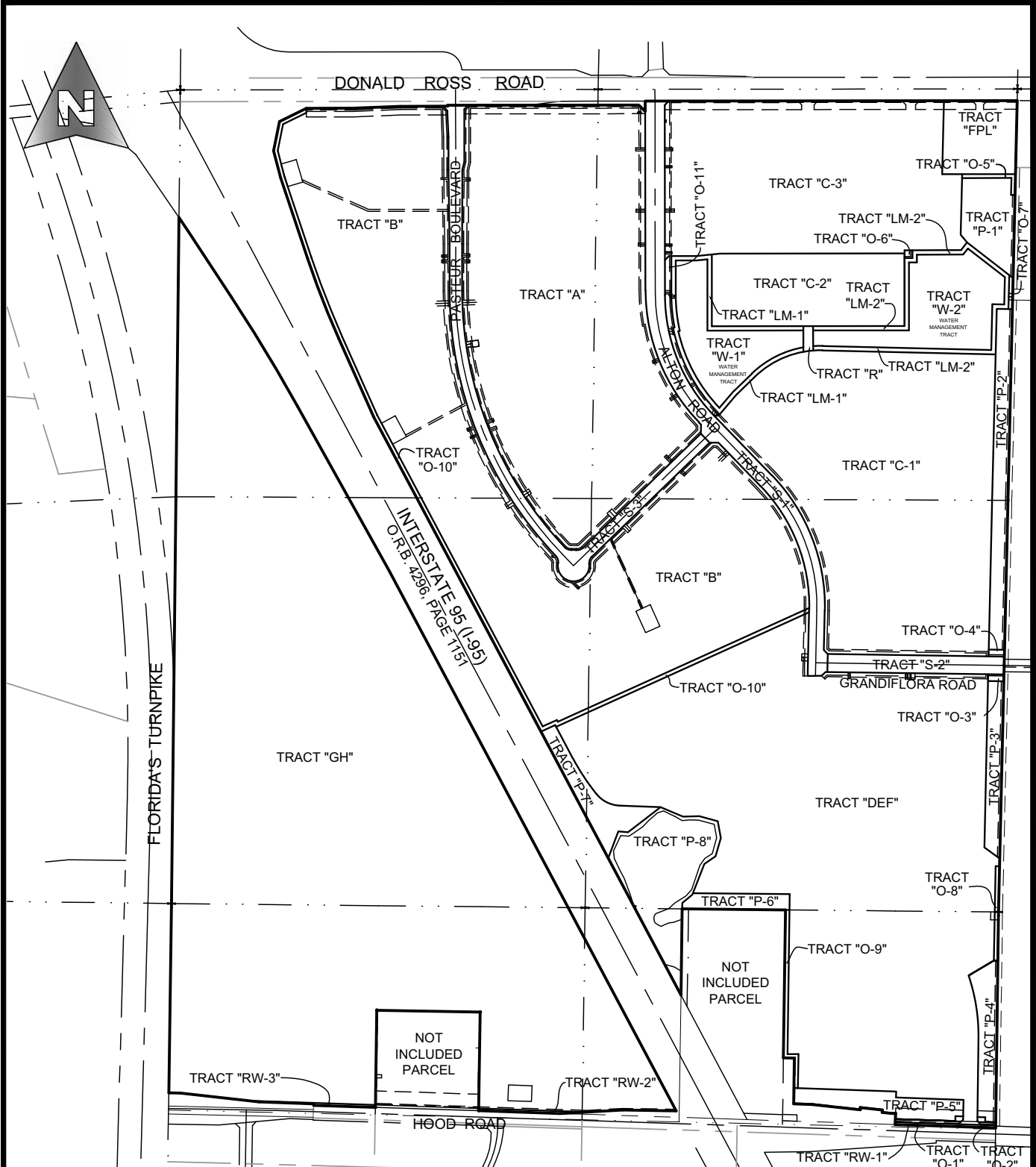
EXHIBIT E

WETLAND / UPLAND PRESERVE AND BUFFER EXHIBIT
 NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
 UNIT OF DEVELOPMENT NO. 2C

ARCADIS
ARCADIS U.S., Inc.
 2081 Vista Parkway, West Palm Beach, Florida 33411
 Tel: (561) 697-7000 Fax: (561) 697-7751
 www.arcadis-us.com



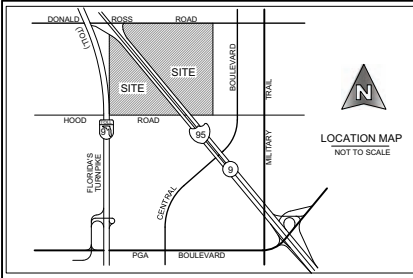
C-1



MICHAEL B. SCHORAH & ASSOCIATES, INC.
 1850 FOREST HILL BLVD., SUITE 206
 WEST PALM BEACH, FLORIDA 33406
 EB# 2438 TEL. (561) 968-0080 FAX. (561) 642-9726 LB# 2438

N/A	M.A.M.	N.T.S.
N/A	AUGUST 2014	
N/A	L.C.B.	1608_TRACTS

**ALTON PCD
 OVERALL PLAT EXHIBIT**



DEDICATIONS AND RESERVATIONS

KNOW ALL MEN BY THESE PRESENTS THAT KH ALTON LLC, A FLORIDA LIMITED LIABILITY COMPANY, KH DONALD ROSS LLC, A FLORIDA LIMITED LIABILITY COMPANY, PARADISE RETAIL INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, HEIGHTS BIOTECH INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, VILAS AT BRIGER, LLC, A FLORIDA LIMITED LIABILITY COMPANY, GRANDIFLORA MULTIFAMILY INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, FLORIDA POWER AND LIGHT COMPANY, A FLORIDA CORPORATION AND PALM BEACH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, OWNERS OF THE LAND SHOWN HEREON AS ALTON PCD, LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST, CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

(EAST PARCEL) COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 26; THENCE SOUTH 01°20'36" WEST ALONG THE EAST LINE OF SAID SECTION, A DISTANCE OF 75.02 FEET TO A POINT ON A LINE PARALLEL WITH SAID NORTH 75°10'00" WEST FROM THE NORTH LINE OF SAID SECTION, SAID POINT BEING THE POINT OF BEGINNING; SAID POINT ALSO BEING ON THE SOUTH LINE OF DONALD ROSS ROAD; THENCE SOUTH 01°20'36" WEST ALONG SAID EAST LINE, A DISTANCE OF 254.53 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER (SW 1/4) OF SAID SECTION 26; THENCE SOUTH 01°17'32" WEST ALONG SAID EAST LINE, A DISTANCE OF 261.91 FEET TO THE NORTHEAST CORNER OF SAID SECTION 26; THENCE NORTH 89°05'56" WEST ALONG THE EAST LINE OF SAID SECTION 26, A DISTANCE OF 1373.53 FEET TO THE NORTH RIGHT-OF-WAY LINE OF HOOD ROAD, AND AS DESCRIBED IN OFFICIAL RECORD BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE NORTH 89°05'56" WEST ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 638.65 FEET TO THE EAST LINE OF THE LAND DESCRIBED IN PARCEL 290 B(2) IN THE ORDER OF TAKING RECORDED IN OFFICIAL RECORD BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE ALONG THE BOUNDARY OF SAID PARCEL 290 B(2), NORTH 01°53'04" EAST, A DISTANCE OF 70.00 FEET; THENCE NORTH 89°05'56" WEST, A DISTANCE OF 32.20 FEET; THENCE NORTH 83°32'30" WEST, A DISTANCE OF 52.98 FEET; THENCE NORTH 01°53'04" EAST, A DISTANCE OF 15.00 FEET; THENCE NORTH 83°32'30" WEST, A DISTANCE OF 145.45 FEET; THENCE SOUTH 01°53'04" WEST, A DISTANCE OF 15.00 FEET; THENCE NORTH 83°32'30" WEST, A DISTANCE OF 308.19 FEET; THENCE NORTH 89°05'56" WEST, A DISTANCE OF 117.31 FEET; THENCE NORTH 00°49'09" EAST, A DISTANCE OF 291.34 FEET; THENCE NORTH 91°05'57" WEST, A DISTANCE OF 70.00 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 290 B(2), BEING ALSO ON THE WEST LINE OF THE EAST 40.08 FEET OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SAID SECTION 35; THENCE NORTH 00°49'09" EAST ALONG SAID WEST LINE, A DISTANCE OF 342.20 FEET TO THE NORTH LINE OF SAID SECTION 35; THENCE NORTH 89°24'49" WEST ALONG SAID NORTH LINE, A DISTANCE OF 688.23 FEET TO THE WEST LINE OF THE EAST 40.00 FEET OF THE WEST HALF (W 1/2) OF THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SAID SECTION 35; THENCE SOUTH 00°49'41" WEST ALONG SAID WEST LINE, A DISTANCE OF 160.75 FEET TO THE NORTHEAST LINE OF THE LAND DESCRIBED IN PARCEL 280 A(1) IN SAID ORDER OF TAKING RECORDED IN SAID OFFICIAL RECORD BOOK 4296, PAGE 1151; THENCE ALONG THE BOUNDARY OF SAID PARCEL 280 A(1), NORTH 28°00'09" WEST, A DISTANCE OF 606.09 FEET TO THE NORTH LINE OF SAID SECTION 35; THENCE CONTINUE NORTH 28°00'09" WEST ALONG SAID BOUNDARY, A DISTANCE OF 844.18 FEET; THENCE NORTH 28°00'09" WEST ALONG SAID BOUNDARY, A DISTANCE OF 546.12 FEET TO THE BEGINNING OF A CURVE THEREIN, CONVEX NORTHEASTERLY, HAVING A RADIUS OF 555.89 FEET; THENCE NORTHWESTERLY, A DISTANCE OF 544.09 FEET ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 05°31'54" TO A POINT OF TANGENCY; THENCE CONTINUE ALONG SAID BOUNDARY, NORTH 78°29'19" WEST, A DISTANCE OF 543.30 FEET; THENCE NORTH 14°39'22" WEST, A DISTANCE OF 17.27 FEET; THENCE NORTH 11°29'12" EAST, A DISTANCE OF 10.36 FEET; THENCE NORTH 63°46'51" EAST, A DISTANCE OF 190.36 FEET; THENCE NORTH 89°59'30" EAST, A DISTANCE OF 301.88 FEET; THENCE NORTH 87°37'27" EAST, A DISTANCE OF 296.35 FEET; THENCE NORTH 89°59'42" EAST, A DISTANCE OF 302.02 FEET; THENCE NORTH 09°04'15" WEST, A DISTANCE OF 4.83 FEET TO THE SOUTHWESTERLY CORNER OF THE LAND DESCRIBED IN PARCEL 280 B(3), AS DESCRIBED IN OFFICIAL RECORD BOOK 4296, PAGE 1151. SAID LINE ALSO BEING THE SOUTHERLY RIGHT-OF-WAY LINE OF ADDITIONAL RIGHT-OF-WAY FOR DONALD ROSS ROAD AS DESCRIBED IN OFFICIAL RECORD BOOK 2128, PAGE 218, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, NORTH 89°59'45" EAST, A DISTANCE OF 216.69 FEET; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF ADDITIONAL RIGHT-OF-WAY FOR DONALD ROSS ROAD AS DESCRIBED IN OFFICIAL RECORD BOOK 2128, PAGE 218, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, NORTH 45°04'14" EAST, A DISTANCE OF 56.97 FEET; THENCE ALONG THE EAST LINE OF SAID ADDITIONAL RIGHT-OF-WAY, NORTH 09°04'14" WEST, A DISTANCE OF 65.00 FEET TO SAID LINE PARALLEL WITH AND SOUTHERLY 70.00 FEET FROM THE NORTH LINE OF SAID SECTION 26; THENCE NORTH 89°59'46" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 2369.16 FEET TO THE POINT OF BEGINNING.

(WEST PARCEL) BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 26; THENCE NORTH 09°03'07" EAST ALONG THE WEST LINE OF SAID SECTION, A DISTANCE OF 436.67 FEET TO THE SOUTHWESTERLY BOUNDARY OF THE LAND DESCRIBED AS PARCEL 290 A(1) IN THE ORDER OF TAKING RECORDED IN OFFICIAL RECORD BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF SAID PALM BEACH COUNTY; THENCE ALONG SAID BOUNDARY SOUTH 34°23'37" EAST, A DISTANCE OF 113.86 FEET; THENCE SOUTH 33°49'32" EAST, A DISTANCE OF 493.78 FEET ALONG SAID BOUNDARY TO THE BEGINNING OF A CURVE THEREIN, CONVEX SOUTHWESTERLY, HAVING A RADIUS OF 11386.16 FEET; THENCE SOUTHWESTERLY, A DISTANCE OF 813.16 FEET ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04°16'07" TO A POINT OF TANGENCY; THENCE SOUTH 28°00'09" EAST, A DISTANCE OF 1199.30 FEET; THENCE SOUTH 28°00'09" EAST ALONG SAID BOUNDARY, A DISTANCE OF 248.11 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 26; THENCE CONTINUE SOUTH 28°00'09" EAST ALONG SAID BOUNDARY, A DISTANCE OF 1464.87 FEET; THENCE NORTH 89°04'14" WEST ALONG SAID BOUNDARY AND ALONG THE NORTH LINE OF THE LAND DESCRIBED IN PARCEL 290 B(1) OF SAID ORDER OF TAKING, A DISTANCE OF 239.10 FEET; THENCE SOUTH 89°05'56" WEST ALONG SAID NORTH LINE, A DISTANCE OF 401.53 FEET TO THE NORTHERLY LINE OF HOOD ROAD; THENCE ALONG SAID BOUNDARY AND ALONG SAID NORTH RIGHT-OF-WAY LINE OF HOOD ROAD, FOLLOWING FOUR (4) CURVES: NORTH 01°53'04" EAST, A DISTANCE OF 10.00 FEET; NORTH 89°05'56" WEST, A DISTANCE OF 350.00 FEET; THENCE NORTH 01°53'04" EAST, A DISTANCE OF 49.20 FEET; SOUTH 22°22'22" THENCE NORTH 89°02'28" WEST, A DISTANCE OF 173.31 FEET TO THE WEST LINE OF SAID SECTION 35; THENCE NORTH 01°53'04" EAST ALONG SAID WEST LINE, A DISTANCE OF 1024.18 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCELS OF LAND CONTAINS 681.69 ACRES, MORE OR LESS. SAID OWNERS HAVE CAUSED SAID LANDS TO BE SURVEYED AND PLATTED AS SHOWN HEREON AND DO HEREBY DEDICATE AS FOLLOWS:

ALTON PCD

LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST, CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.

SHEET 1 OF 10

- TRACTS "8-11", "8-2" AND "8-3", AS SHOWN HEREON, ARE HEREBY DEDICATED TO THE CITY OF PALM BEACH GARDENS FOR THE PERPETUAL USE OF THE PUBLIC FOR PUBLIC USE, INCLUDING, UTILITY, LANDSCAPING AND OTHER RELATED PURPOSES, MAINTENANCE, OF SAID TRACTS SHALL BE THE PERPETUAL MAINTENANCE RESPONSIBILITY OF ALTON PROPERTY OWNERS ASSOCIATION, INC., ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.
- TRACTS "9", "C-1", "C-2", "C-3", "DEF" AND "GH", AS SHOWN HEREON, ARE HEREBY RESERVED FOR THE OWNERS, THEIR SUCCESSORS AND ASSIGNS, THEIR SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.
- TRACT "A", AS SHOWN HEREON, IS HEREBY RESERVED FOR PALM BEACH COUNTY, ITS SUCCESSORS AND OR ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH COUNTY, ITS SUCCESSORS AND OR ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH COUNTY, ITS SUCCESSORS AND OR ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH COUNTY.
- TRACT "PL", AS SHOWN HEREON, IS HEREBY RESERVED FOR THE FLORIDA POWER AND LIGHT COMPANY, ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.
- TRACTS "RW-1", "RW-2" AND "RW-3", AS SHOWN HEREON, ARE HEREBY DEDICATED TO THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, FOR THE PERPETUAL USE OF THE PUBLIC FOR PUBLIC STREET AND OTHER RELATED PURPOSES.
- TRACTS "O-1", "O-2", "O-3", "O-4", "O-5", "O-6", "O-8", "O-9", "O-10" AND "O-11", AS SHOWN HEREON, ARE HEREBY DEDICATED TO ALTON PROPERTY OWNERS ASSOCIATION, INC., ITS SUCCESSORS AND ASSIGNS, FOR OPEN SPACE, LANDSCAPING, DRAINAGE AND UTILITY PURPOSES AND SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID ASSOCIATION, ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.
- TRACT "O-7", AS SHOWN HEREON, IS HEREBY DEDICATED TO ALTON PROPERTY OWNERS ASSOCIATION, INC., ITS SUCCESSORS AND ASSIGNS, FOR LANDSCAPE BUFFER, DRAINAGE UTILITY AND PEDESTRIAN PURPOSES AND SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID ASSOCIATION, ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.
- TRACTS "P-1" THROUGH "P-8", INCLUSIVE, AS SHOWN HEREON, ARE HEREBY DEDICATED TO ALTON PROPERTY OWNERS ASSOCIATION, INC., ITS SUCCESSORS AND ASSIGNS, FOR CONSTRUCTION AND MAINTENANCE OF THE FIREBREAK AREAS LOCATED WITHIN THE EASTERLY 15 FEET OF SAID TRACTS "P-1", "P-2", "P-3" AND "P-4" IN ACCORDANCE WITH THE CITY OF PALM BEACH COUNTY, FLORIDA, LANDSCAPING AND UTILITY PURPOSES. SAID TRACTS SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID ASSOCIATION WITH RECURSE TO THE CITY OF PALM BEACH GARDENS. SAID TRACTS MAY NOT BE ALTERED FROM THEIR NATURAL STATE WITH THE EXCEPTION OF THE REMOVAL OF EXOTIC NURSERY VEGETATION, THE CONSTRUCTION AND MAINTENANCE OF THE FIREBREAK AREAS LOCATED WITHIN THE EASTERLY 15 FEET OF SAID TRACTS "P-1", "P-2", "P-3" AND "P-4" IN ACCORDANCE WITH THE CITY OF PALM BEACH COUNTY, FLORIDA, LANDSCAPING AND UTILITY PURPOSES. SAID TRACTS SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID ASSOCIATION WITH RECURSE TO THE CITY OF PALM BEACH GARDENS. SAID TRACTS MAY NOT BE ALTERED FROM THEIR NATURAL STATE WITH THE EXCEPTION OF THE REMOVAL OF EXOTIC NURSERY VEGETATION, THE CONSTRUCTION AND MAINTENANCE OF THE FIREBREAK AREAS LOCATED WITHIN THE EASTERLY 15 FEET OF SAID TRACTS "P-1", "P-2", "P-3" AND "P-4" IN ACCORDANCE WITH THE CITY OF PALM BEACH COUNTY, FLORIDA, LANDSCAPING AND UTILITY PURPOSES. SAID TRACTS SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID ASSOCIATION WITH RECURSE TO THE CITY OF PALM BEACH GARDENS. SAID TRACTS MAY NOT BE ALTERED FROM THEIR NATURAL STATE WITH THE EXCEPTION OF THE REMOVAL OF EXOTIC NURSERY VEGETATION, THE CONSTRUCTION AND MAINTENANCE OF THE FIREBREAK AREAS LOCATED WITHIN THE EASTERLY 15 FEET OF SAID TRACTS "P-1", "P-2", "P-3" AND "P-4" IN ACCORDANCE WITH THE CITY OF PALM BEACH COUNTY, FLORIDA, LANDSCAPING AND UTILITY PURPOSES. SAID TRACTS SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID ASSOCIATION WITH RECURSE TO THE CITY OF PALM BEACH GARDENS.
- TRACT "R", AS SHOWN HEREON, IS HEREBY DEDICATED TO ALTON PROPERTY OWNERS ASSOCIATION, INC., ITS SUCCESSORS AND ASSIGNS, FOR LANDSCAPE BUFFER, DRAINAGE UTILITY, LANDSCAPING AND OTHER RELATED PURPOSES AND SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID ASSOCIATION, ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.
- TRACT "T", AS SHOWN HEREON, IS HEREBY DEDICATED TO NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT FOR STORM WATER MANAGEMENT AND DRAINAGE PURPOSES AND SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID DISTRICT, ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.
- TRACTS "W-1" AND "W-2", AS SHOWN HEREON, TOGETHER WITH THE UNDERLYING MINERAL, EXPLORATION AND MINING RIGHTS, ARE HEREBY DEDICATED IN FEE SIMPLE ABSOLUTE TO NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT FOR PUBLIC ACCESS, PASSIVE RECREATION AND FOR ACCESS TO THE ADJOINING STORM WATER MANAGEMENT TRACTS FOR PURPOSES OF PERFORMING ANY AND ALL MAINTENANCE ACTIVITIES PURSUANT TO THE MAINTENANCE OBLIGATION OF SAID DISTRICT, ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS. STRUCTURES AND LANDSCAPING MAY BE PERMITTED WITHIN SAID TRACTS AS APPROVED BY OR WITH PRIOR WRITTEN CONSENT OF THE NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT AND THE CITY OF PALM BEACH GARDENS.
- THE WATER MANAGEMENT EASEMENTS #1 THROUGH #9 INCLUSIVE, AS SHOWN HEREON AND DESIGNATED AS W.M.E. AND R.B.E. RESPECTIVELY, ARE HEREBY DEDICATED TO NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT, ITS SUCCESSORS AND ASSIGNS, FOR STORM WATER MANAGEMENT AND DRAINAGE PURPOSES AND SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID DISTRICT, ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS. FLORIDA SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO MAINTAIN ANY PORTION OF THE DRAINAGE EASEMENTS ENCOMPASSED BY THIS PLAT WHICH IS ASSOCIATED WITH THE DRAINAGE OF PUBLIC STREETS.
- DRAINAGE EASEMENTS #1 THROUGH #8, INCLUSIVE, AS SHOWN HEREON AND DESIGNATED AS D.E., ARE HEREBY DEDICATED TO ALTON PROPERTY OWNERS ASSOCIATION, INC., ITS SUCCESSORS AND ASSIGNS, FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF THE DRAINAGE FACILITIES AND SHALL BE THE PERPETUAL MAINTENANCE RESPONSIBILITY OF SAID ASSOCIATION, ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS. THE CITY OF PALM BEACH GARDENS, FLORIDA, SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO MAINTAIN ANY PORTION OF THE DRAINAGE EASEMENTS ENCOMPASSED BY THIS PLAT WHICH IS ASSOCIATED WITH THE DRAINAGE OF PUBLIC STREETS.
- THE PARKWAY BUFFER EASEMENTS AND ROADWAY BUFFER EASEMENTS, AS SHOWN HEREON AND DESIGNATED AS P.B.E. AND R.B.E., RESPECTIVELY, ARE HEREBY DEDICATED TO NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT FOR PUBLIC ACCESS, BUFFER DRAINAGE AND UTILITY PURPOSES AND ARE THE PERPETUAL MAINTENANCE OBLIGATION OF SAID DISTRICT, ITS SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS. STRUCTURES MAY BE PERMITTED UPON THE PARKWAY BUFFER EASEMENTS AND ROADWAY BUFFER EASEMENTS AS APPROVED OR WITH PRIOR WRITTEN CONSENT BY THE NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT AND THE CITY OF PALM BEACH GARDENS.
- THE SEACOST UTILITY AUTHORITY EASEMENTS, AS SHOWN HEREON AND DESIGNATED AS S.U.A.E. AND S.U.A.E. #1 THROUGH S.U.A.E. #8, ARE HEREBY DEDICATED TO SEACOST UTILITY AUTHORITY, ITS SUCCESSORS AND/OR ASSIGNS, FOR INSTALLATION, OPERATION AND MAINTENANCE OF WATER AND SEWER FACILITIES AND ENCUMBERED BY SAID EASEMENTS.

- SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF THE OWNER OR OWNERS OF THE FEE SIMPLE INTEREST IN SAID LANDS, THEIR SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.
- THE LIFT STATION EASEMENTS #1 AND #2, AS SHOWN HEREON, ARE HEREBY DEDICATED TO SEACOST UTILITY AUTHORITY, ITS SUCCESSORS AND/OR ASSIGNS, FOR INSTALLATION, OPERATION AND MAINTENANCE OF LIFT STATION FACILITIES AND ENCUMBERED BY SAID EASEMENTS SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF THE OWNER OR OWNERS OF THE FEE SIMPLE INTEREST IN SAID LANDS, THEIR SUCCESSORS AND ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.
- THE LIMITED ACCESS EASEMENTS, AS SHOWN HEREON AND DESIGNATED AS L.A.E., ARE HEREBY DEDICATED TO THE CITY OF PALM BEACH GARDENS, FLORIDA, FOR THE PURPOSE OF CONTROL AND JURISDICTION OVER ACCESS RIGHTS.
- THE UTILITY EASEMENTS, AS SHOWN HEREON AND DESIGNATED AS U.E., ARE HEREBY DEDICATED IN PERPETUITY TO ALL GOVERNMENTAL ENTITIES AND PUBLIC UTILITIES WITH THE RIGHT TO ENTER UPON THE PROPERTY HEREON DESCRIBED TO INSTALL, OPERATE AND MAINTAIN THEIR RESPECTIVE UTILITY FACILITIES, INCLUDING CABLE TELEVISION SYSTEMS. INSTALLATION OF CABLE TELEVISION SYSTEMS SHALL NOT INTERFERE WITH THE INSTALLATION, OPERATION AND MAINTENANCE OF OTHER PUBLIC UTILITIES. IN THE EVENT A CABLE TELEVISION COMPANY DAMAGES THE FACILITIES OF A PUBLIC UTILITY, IT SHALL BE SOLELY RESPONSIBLE FOR THE DAMAGES. SUCH CONSTRUCTION, INSTALLATION, MAINTENANCE, AND OPERATION OF UTILITY FACILITIES SHALL COMPLY WITH THE NATIONAL ELECTRICAL SAFETY CODE AS ADOPTED BY THE FLORIDA PUBLIC UTILITY COMMISSION.
- THE IRRIGATION SYSTEM ACCESS EASEMENT, AS SHOWN HEREON AND DESIGNATED AS I.S.A.E., ARE HEREBY RESERVED TO THE CITY OF PALM BEACH GARDENS FOR ACCESS TO THE IRRIGATION FACILITIES ASSOCIATED WITH THEIR ROADWAY LANDSCAPING, SAID IRRIGATION FACILITIES SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF THE ALTON PROPERTY OWNERS ASSOCIATION, INC., ITS SUCCESSORS AND/OR ASSIGNS, WITHOUT RECURSE TO THE CITY OF PALM BEACH GARDENS.

IN WITNESS WHEREOF, WE, KH ALTON LLC, A FLORIDA LIMITED LIABILITY COMPANY, KH DONALD ROSS LLC, A FLORIDA LIMITED LIABILITY COMPANY, PARADISE RETAIL INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, HEIGHTS BIOTECH INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, VILAS AT BRIGER, LLC, A FLORIDA LIMITED LIABILITY COMPANY, GRANDIFLORA MULTIFAMILY INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, FLORIDA POWER AND LIGHT COMPANY, A FLORIDA CORPORATION AND PALM BEACH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, OWNERS OF THE LAND SHOWN HEREON AS ALTON PCD, LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST, CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

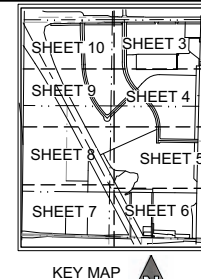
BY: HOWARD ERBSTEIN
 AUTHORIZED SIGNATORY
 PRINTED NAME: _____
 TITLE: _____
 WITNESS: _____
 PRINTED NAME: _____

THE KOLTER GROUP LLC ACKNOWLEDGMENT
 STATE OF FLORIDA
 COUNTY OF PALM BEACH
 BEFORE ME PERSONALLY APPEARED HOWARD ERBSTEIN, WHO IS PERSONALLY KNOWN TO ME OR WHO HAS PRODUCED _____ AS IDENTIFICATION, AND WHO EXECUTED THE FOREGOING INSTRUMENT AS AUTHORIZED SIGNATORY OF THE KOLTER GROUP LLC, A FLORIDA LIMITED LIABILITY COMPANY, AS MANAGER OF KH ALTON LLC, A FLORIDA LIMITED LIABILITY COMPANY, KH DONALD ROSS LLC, A FLORIDA LIMITED LIABILITY COMPANY, PARADISE RETAIL INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, HEIGHTS BIOTECH INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY AND GRANDIFLORA MULTIFAMILY INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, AND ACKNOWLEDGED BEFORE ME THAT HE EXECUTED SUCH INSTRUMENT FOR THE PURPOSES EXPRESSED THEREIN.

BY: ARMANDO A. TABERNILLA
 AUTHORIZED SIGNATORY
 PRINTED NAME: _____
 TITLE: _____
 WITNESS: _____
 PRINTED NAME: _____

VILAS AT BRIGER, LLC ACKNOWLEDGMENT
 STATE OF FLORIDA
 COUNTY OF PALM BEACH
 BEFORE ME PERSONALLY APPEARED ARMANDO A. TABERNILLA, WHO IS PERSONALLY KNOWN TO ME OR WHO HAS PRODUCED _____ AS IDENTIFICATION, AND WHO EXECUTED THE FOREGOING INSTRUMENT AS AUTHORIZED SIGNATORY OF VILAS AT BRIGER, LLC, A FLORIDA LIMITED LIABILITY COMPANY, AND ACKNOWLEDGED BEFORE ME THAT HE EXECUTED SUCH INSTRUMENT FOR THE PURPOSES EXPRESSED THEREIN.

BY: PRISCILLA A. TAYLOR, MAYOR
 THE KOLTER GROUP LLC
 ATTEST: SHARON R. BOCK
 CLERK AND COMPTROLLER



COUNTY OF PALM BEACH } ss
 STATE OF FLORIDA }
 THIS PLAT WAS FILED FOR RECORD AT _____ DAY OF
 _____, 2014, AND DULY
 RECORDED IN PLAT BOOK NO. _____
 ON PAGE _____
 SHARON R. BOCK
 CLERK AND COMPTROLLER
 BY: _____, D.C.

BY: DEAN J. GIRARD,
 DIRECTOR OF CORPORATE REAL ESTATE
 FLORIDA POWER AND LIGHT COMPANY,
 A FLORIDA CORPORATION
 PRINTED NAME: _____
 TITLE: _____
 WITNESS: _____
 PRINTED NAME: _____

FLORIDA POWER AND LIGHT COMPANY ACKNOWLEDGMENT

STATE OF FLORIDA
 COUNTY OF PALM BEACH
 BEFORE ME PERSONALLY APPEARED DEAN J. GIRARD, WHO IS PERSONALLY KNOWN TO ME OR WHO HAS PRODUCED _____ AS IDENTIFICATION, AND WHO EXECUTED THE FOREGOING INSTRUMENT AS DIRECTOR OF CORPORATE REAL ESTATE OF FLORIDA POWER AND LIGHT COMPANY, A FLORIDA CORPORATION, AND ACKNOWLEDGED BEFORE ME THAT HE EXECUTED SUCH INSTRUMENT FOR THE PURPOSES EXPRESSED THEREIN.

BY: ARMANDO A. TABERNILLA
 AUTHORIZED SIGNATORY
 PRINTED NAME: _____
 TITLE: _____
 WITNESS: _____
 PRINTED NAME: _____

VILAS AT BRIGER, LLC ACKNOWLEDGMENT

STATE OF FLORIDA
 COUNTY OF PALM BEACH
 BEFORE ME PERSONALLY APPEARED ARMANDO A. TABERNILLA, WHO IS PERSONALLY KNOWN TO ME OR WHO HAS PRODUCED _____ AS IDENTIFICATION, AND WHO EXECUTED THE FOREGOING INSTRUMENT AS AUTHORIZED SIGNATORY OF VILAS AT BRIGER, LLC, A FLORIDA LIMITED LIABILITY COMPANY, AND ACKNOWLEDGED BEFORE ME THAT HE EXECUTED SUCH INSTRUMENT FOR THE PURPOSES EXPRESSED THEREIN.

BY: _____
 PRINTED NAME: _____
 TITLE: _____
 WITNESS: _____
 PRINTED NAME: _____

CITY OF PALM BEACH GARDENS

IN WITNESS WHEREOF, FLORIDA POWER AND LIGHT COMPANY HAS CAUSED THESE PRESENTS TO BE SIGNED BY ITS PRESIDENT, AND ITS CORPORATE SEAL TO BE AFFIXED HERETO BY AND WITH THE AUTHORITY OF ITS BOARD OF DIRECTORS, THIS _____ DAY OF _____, 2014.

FLORIDA POWER AND LIGHT COMPANY,
 A FLORIDA CORPORATION

NOTARY

VILAS AT BRIGER, LLC
 A FLORIDA LIMITED LIABILITY COMPANY

NOTARY

ALTON PROPERTY OWNERS ASSOCIATION, INC.

NOTARY

BOARD OF COUNTY COMMISSIONERS

NOTARY

NOTARY

NOTARY

NOTARY

NOTARY

NOTARY

NOTARY

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SHEET 1 OF 10

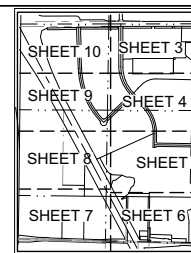
MICHAEL B. SCHORAH & ASSOCIATES, INC.
 1000 S.W. 12TH AVENUE, SUITE 200
 WEST PALM BEACH, FLORIDA 33409
 EBR 2438 TEL. (561) 968-0000 FAX. (561) 642-0726 LBR 2438

ALTON PCD

ALTON PCD

LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST,
CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.

SHEET 2 OF 10



COUNTY OF PALM BEACH }
STATE OF FLORIDA } SS
THIS PLAT WAS FILED FOR RECORD AT _____ DAY OF _____, 2014, AND DULY RECORDED IN PLAT BOOK NO. _____ ON PAGE _____ THEREBY.
SHARON R. BOCK
CLERK AND COMPTROLLER
BY: _____ D.C.

ALTON PROPERTY OWNERS ASSOCIATION, INC. ACCEPTANCE

STATE OF FLORIDA
COUNTY OF PALM BEACH
ALTON PROPERTY OWNERS ASSOCIATION, INC. HEREBY ACCEPTS THE DEDICATIONS OR RESERVATIONS TO SAID ASSOCIATION AS STATED AND SHOWN HEREON, AND HEREBY ACCEPTS ITS MAINTENANCE OBLIGATIONS FOR SAME AS STATED HEREON, DATED THIS _____ DAY OF _____, 2014.

ALTON PROPERTY OWNERS ASSOCIATION, INC.
A FLORIDA CORPORATION NOT-FOR-PROFIT
BY: _____
RICK COVELL, PRESIDENT
PRINTED NAME: _____
WITNESS: _____
PRINTED NAME: _____

ALTON PROPERTY OWNERS ASSOCIATION, INC. ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF PALM BEACH
BEFORE ME PERSONALLY APPEARED RICK COVELL, WHO IS PERSONALLY KNOWN TO ME, OR WHO HAS PRODUCED _____ AS IDENTIFICATION, AND WHO EXECUTED THE FOREGOING INSTRUMENT AS PRESIDENT OF ALTON PROPERTY OWNERS ASSOCIATION, INC., AND SEVERALLY ACKNOWLEDGED TO AND BEFORE ME THAT HE/SHE EXECUTED SUCH INSTRUMENT AS SUCH OFFICER OF SAID CORPORATION, AND THAT SAID INSTRUMENT IS THE FREE ACT AND DEED OF SAID CORPORATION.

WITNESS MY HAND AND OFFICIAL SEAL THIS _____ DAY OF _____, 2014.
MY COMMISSION EXPIRES: _____
COMMISSION NO. _____ NOTARY PUBLIC
PRINTED NAME: _____

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT ACCEPTANCE

STATE OF FLORIDA
COUNTY OF PALM BEACH
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT HEREBY ACCEPTS THE DEDICATION OF THE PARAWAY BUFFER EASEMENTS, THE ROADWAY BUFFER EASEMENTS, THE ACCESS AND MAINTENANCE EASEMENTS OVER TRACTS "P-1" THROUGH "P-8", INCLUSIVE AND THE WATER MANAGEMENT EASEMENTS AND HEREBY ACCEPTS THE FEE SIMPLE DEDICATION OF TRACTS "W-1", "W-2", "LM-1" AND "LM-2", AS SHOWN HEREON, AND HEREBY ACKNOWLEDGES THE PERPETUAL MAINTENANCE OBLIGATION OF SAID EASEMENTS AND TRACTS.

IN WITNESS WHEREOF, NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT HAS CAUSED THESE PRESENTS TO BE SIGNED BY ADRIAN M. SALEE, ITS PRESIDENT, BOARD OF SUPERVISORS, AND ATTESTED BY ONEAL BARDIN, JR., ITS SECRETARY, BOARD OF SUPERVISORS, THIS _____ DAY OF _____, 2014.
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
UNIT OF DEVELOPMENT 20

ATTEST: _____ BY: _____
ONEAL BARDIN, JR. ADRIAN M. SALEE
ASSISTANT SECRETARY PRESIDENT
BOARD OF SUPERVISORS BOARD OF SUPERVISORS

TITLE CERTIFICATION

STATE OF FLORIDA
COUNTY OF PALM BEACH
I, HUGH W. PERRY, A DULY LICENSED ATTORNEY IN THE STATE OF FLORIDA, DO HEREBY CERTIFY THAT I HAVE EXAMINED THE TITLE TO THE HEREON DESCRIBED PROPERTY; THAT I FIND THE TITLE TO THE PROPERTY IS VESTED TO KH ALTON LLC, A FLORIDA LIMITED LIABILITY COMPANY, KG DONALD ROSS LLC, A FLORIDA LIMITED LIABILITY COMPANY, PARKSIDE RETAIL INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, HEIGHTS BIOTECH INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY, VILAS AT BRISLER, LLC, A FLORIDA LIMITED LIABILITY COMPANY, FLORIDA POWER AND LIGHT COMPANY, A FLORIDA CORPORATION, GRANDIFLORA MULTIFAMILY INVESTMENTS LLC, A FLORIDA LIMITED LIABILITY COMPANY AND PALM BEACH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA; THAT THE CURRENT TAXES HAVE BEEN PAID; THAT ALL MORTGAGES NOT SATISFIED OR RELEASED OF RECORD NOR OTHERWISE TERMINATED BY LAW ARE SHOWN HEREON; AND THAT THERE ARE ENCUMBRANCES OF RECORD BUT THOSE ENCUMBRANCES DO NOT PROHIBIT THE CREATION OF THE SUBDIVISION DEPICTED BY THIS PLAT.

DATED: _____
HUGH W. PERRY, FLORIDA BAR # _____
FOR THE FIRM OF GUNSTER, YOAKLEY & STEWART, P.A.

CITY OF PALM BEACH GARDENS APPROVAL

CITY OF PALM BEACH GARDENS
COUNTY OF PALM BEACH, FLORIDA
THIS PLAT IS HEREBY APPROVED FOR RECORD THIS _____ DAY OF _____, 2014.

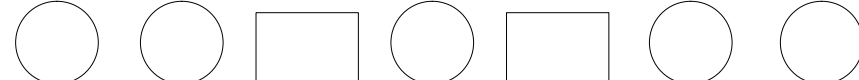
BY: _____
ROBERT G. FREMUROS, MAYOR

ATTEST: _____
PATRICIA SNYDER, CMC
CITY CLERK

THIS PLAT IS HEREBY APPROVED FOR RECORD THIS _____ DAY OF _____, 2014.

BY: _____
TODD ENGLE, P.E.
CITY ENGINEER

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT



LESTER FAMILY MORTGAGEE'S CONSENT

STATE OF FLORIDA
COUNTY OF PALM BEACH
THE UNDERSIGNED HEREBY CERTIFIES THAT IT IS THE HOLDER OF A MORTGAGE, UPON THE PROPERTY DESCRIBED HEREON AND DOES HEREBY JOIN IN AND CONSENT TO THE DEDICATION OF THE LAND DESCRIBED IN SAID DEDICATION BY THE OWNER THEREOF AND AGREES THAT ITS MORTGAGE WHICH IS RECORDED IN OFFICIAL RECORD BOOK 2622, PAGE 132 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, SHALL BE SUBORDINATED TO THE DEDICATION SHOWN HEREON.

IN WITNESS WHEREOF, THE SAID COMPANY HAS CAUSED THESE PRESENTS TO BE SIGNED BY ITS _____ THIS _____ DAY OF _____, 2014.

THE LESTER FAMILY INVESTMENTS L.P., A DELAWARE LIMITED PARTNERSHIP, RICHARD THALL, ROBERT THALL, PAUL H. BRIGER, PETER L. BRIGER, AND PATRICIA B. LESTER AND HOWARD LESTER, AS CO-TRUSTEES OF THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996 AND ACKNOWLEDGED BEFORE ME THAT HE EXECUTED SUCH INSTRUMENT FOR THE PURPOSES EXPRESSED THEREIN.

WITNESS: _____ BY: _____
CHARLES A. LUBITZ, ESQ.
DESIGNATED REPRESENTATIVE

PRINTED NAME: _____
WITNESS: _____
PRINTED NAME: _____

LESTER FAMILY ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF PALM BEACH
BEFORE ME PERSONALLY APPEARED CHARLES A. LUBITZ, ESQ., WHO IS PERSONALLY KNOWN TO ME, OR WHO HAS PRODUCED _____ AS IDENTIFICATION, AND WHO EXECUTED THE FOREGOING INSTRUMENT AS DESIGNATED REPRESENTATIVE OF THE LESTER FAMILY INVESTMENTS L.P., A DELAWARE LIMITED PARTNERSHIP, RICHARD THALL, ROBERT THALL, PAUL H. BRIGER, PETER L. BRIGER, AND PATRICIA B. LESTER AND HOWARD LESTER, AS CO-TRUSTEES OF THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996 AND ACKNOWLEDGED BEFORE ME THAT HE EXECUTED SUCH INSTRUMENT FOR THE PURPOSES EXPRESSED THEREIN.

WITNESS MY HAND AND OFFICIAL SEAL THIS _____ DAY OF _____, 2014.
MY COMMISSION EXPIRES: _____
COMMISSION NO. _____ NOTARY PUBLIC
PRINTED NAME: _____

REGIONS BANK MORTGAGEE'S CONSENT

STATE OF FLORIDA
COUNTY OF PALM BEACH
THE UNDERSIGNED HEREBY CERTIFIES THAT IT IS THE HOLDER OF A MORTGAGE, UPON THE PROPERTY DESCRIBED HEREON AND DOES HEREBY JOIN IN AND CONSENT TO THE DEDICATION OF THE LAND DESCRIBED IN SAID DEDICATION BY THE OWNER THEREOF AND AGREES THAT ITS MORTGAGE WHICH IS RECORDED IN OFFICIAL RECORD BOOK 2622, PAGE 244 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, SHALL BE SUBORDINATED TO THE DEDICATION SHOWN HEREON.

IN WITNESS WHEREOF, THE SAID COMPANY HAS CAUSED THESE PRESENTS TO BE SIGNED BY ITS _____ THIS _____ DAY OF _____, 2014.

REGIONS BANK
AN ALABAMA BANKING CORPORATION

WITNESS: _____ BY: _____
JEFFERY I. SHULMAN
EXECUTIVE VICE PRESIDENT

PRINTED NAME: _____
WITNESS: _____
PRINTED NAME: _____

REGIONS BANK ACKNOWLEDGMENT

STATE OF FLORIDA
COUNTY OF PALM BEACH
BEFORE ME PERSONALLY APPEARED JEFFERY I. SHULMAN WHO IS PERSONALLY KNOWN TO ME, OR HAS PRODUCED _____ AS IDENTIFICATION, AND WHO EXECUTED THE FOREGOING INSTRUMENT AS EXECUTIVE VICE PRESIDENT OF REGIONS BANK, AND SEVERALLY ACKNOWLEDGED TO AND BEFORE ME THAT HE EXECUTED SUCH INSTRUMENT AS SUCH OFFICER OF SAID CORPORATION, AND THAT THE SEAL AFFIXED TO THE FOREGOING INSTRUMENT IS THE CORPORATE SEAL OF SAID CORPORATION AND THAT IT WAS AFFIXED TO SAID INSTRUMENT BY DUE AND REGULAR CORPORATE AUTHORITY, AND THAT SAID INSTRUMENT IS THE FREE ACT AND DEED OF SAID CORPORATION.

WITNESS MY HAND AND OFFICIAL SEAL THIS _____ DAY OF _____, 2014.
MY COMMISSION EXPIRES: _____
COMMISSION NO. _____ NOTARY PUBLIC
PRINTED NAME: _____

AREA TABULATION		FOR THE USE OF NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT		
TRACT DESIGNATION	ACREAGE	LAND USE CLASSIFICATION	CODE	DESIGNATED ACREAGE
TRACT "A"	69.857 ACRES	BIOTECH "A"	BAZ	69.857 ACRES
TRACT "B"	96.801 ACRES	UNDIFFERENTIATED HOTEL OFFICE	BBZ HOZ	42 171 ACRES 2 000 ACRES 2 630 ACRES
TRACT "C-1"	58.111 ACRES	UNDIFFERENTIATED SINGLE FAMILY - RES. TOWNHOME - RES.	PC - SFZ PE - TRC	45 811 ACRES 12 300 ACRES
TRACT "C-2"	13,000 ACRES	APARTMENT	APZ	13 000 ACRES
TRACT "C-3"	40.802 ACRES	COMMERCIAL/RETAIL	CRZ	40 802 ACRES
TRACT "DEF"	111,777 ACRES	UNDIFFERENTIATED SINGLE FAMILY - RES.	PD - SFZ PE - SFZ	34 350 ACRES 46 510 ACRES 30 917 ACRES
TRACT "GH"	205,997 ACRES	SINGLE FAMILY - RES.	PG - SFZ	205,997 ACRES
TRACT "PRL"	5,000 ACRES	UTILITY	UTZ	5,000 ACRES
TRACT "O-1"	0.223 ACRES	EXEMPT ACREAGE		
TRACT "O-2"	0.081 ACRES	EXEMPT ACREAGE		
TRACT "O-3"	0.099 ACRES	EXEMPT ACREAGE		
TRACT "O-4"	0.099 ACRES	EXEMPT ACREAGE		
TRACT "O-5"	0.257 ACRES	EXEMPT ACREAGE		
TRACT "O-6"	0.057 ACRES	EXEMPT ACREAGE		
TRACT "O-7"	0.119 ACRES	EXEMPT ACREAGE		
TRACT "O-8"	0.345 ACRES	EXEMPT ACREAGE		
TRACT "O-9"	0.691 ACRES	EXEMPT ACREAGE		
TRACT "O-10"	3.613 ACRES	EXEMPT ACREAGE		
TRACT "O-11"	0.854 ACRES	EXEMPT ACREAGE		
TRACT "P-1"	3.887 ACRES	EXEMPT ACREAGE		
TRACT "P-2"	4.978 ACRES	EXEMPT ACREAGE		
TRACT "P-3"	2.513 ACRES	EXEMPT ACREAGE		
TRACT "P-4"	2.905 ACRES	EXEMPT ACREAGE		
TRACT "P-5"	3.017 ACRES	EXEMPT ACREAGE		
TRACT "P-6"	1.516 ACRES	EXEMPT ACREAGE		
TRACT "P-7"	3.107 ACRES	EXEMPT ACREAGE		
TRACT "P-8"	9.219 ACRES	EXEMPT ACREAGE		
TRACT "S-1"	10,290 ACRES	EXEMPT ACREAGE		
TRACT "S-2"	2,943 ACRES	EXEMPT ACREAGE		
TRACT "S-3"	8,550 ACRES	EXEMPT ACREAGE		
TRACT "R"	0.229 ACRES	EXEMPT ACREAGE		
TRACT "RW-1"	0.220 ACRES	EXEMPT ACREAGE		
TRACT "RW-2"	0.208 ACRES	EXEMPT ACREAGE		
TRACT "RW-3"	0.179 ACRES	EXEMPT ACREAGE		
TRACT "W-1"	6.926 ACRES	EXEMPT ACREAGE		
TRACT "W-2"	9.012 ACRES	EXEMPT ACREAGE		
TRACT "LM-1"	1.843 ACRES	EXEMPT ACREAGE		
TRACT "LM-2"	2.259 ACRES	EXEMPT ACREAGE		
TOTAL	681,692 ACRES			

- LEGEND**
- P.O.B. = POINT OF BEGINNING
 - P.O.C. = POINT OF COMMENCEMENT
 - P.C.P. = PERMANENT CONTROL POINT
 - P.R.M. = PERMANENT REFERENCE MONUMENT
 - C.M. = CONCRETE MONUMENT
 - O.R.B. = OFFICIAL RECORD BOOK
 - D.B. = DEED BOOK
 - P.B. = PLAT BOOK
 - PG(S). = PAGE(S)
 - PBC = PALM BEACH COUNTY
 - TYP. = TYPICAL
 - FND. = FOUND
 - R/W. = RIGHT OF WAY
 - U.E. = UTILITY EASEMENT
 - D. = DRAINAGE EASEMENT
 - R. = RADIUS
 - ARC = ARC LENGTH
 - A. = CURVE CENTER ANGLE
 - C.B. = CHORD BEARING
 - C.L. = CHORD LENGTH
 - P.B.E. = PARKWAY BUFFER EASEMENT
 - R.B.E. = ROADWAY BUFFER EASEMENT
 - S.U.A.E. = SEACOAST UTILITY AUTHORITY EASEMENT
 - I.R. = IRON ROD
 - L.A.E. = LIMITED ACCESS EASEMENT
 - F.R. = FLORIDA POWER AND LIGHT COMPANY
 - C. = CALCULATED
 - C. = CENTERLINE
 - S. = SET NAIL AND ALUMINUM DISK, STAMPED P.C.P. LB 2438
 - = SET 1/2" I.R. WITH ALUMINUM DISK, STAMPED P.R.M. LB. 2438
 - = DENOTES P.R.M. FOUND (AS NOTED)
 - W.M.E. = WATER MANAGEMENT EASEMENT
 - F.D.O.T. = FLORIDA DEPARTMENT OF TRANSPORTATION
 - M.C.C.B. = MINUTES OF THE CIRCUIT COURT BOOK
 - S.U.A. = SEACOAST UTILITY AUTHORITY
 - L.S.A.E. = IRRIGATION SYSTEM ACCESS EASEMENT
 - NPCBD = NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

- SURVEYOR'S NOTES**
1. BUILDING SETBACK LINES SHALL BE AS REQUIRED BY ORDINANCES OF THE CITY OF PALM BEACH GARDENS.
 2. NO BUILDING OR ANY KIND OF CONSTRUCTION OR TRESS OR SHRUBS SHALL BE PLACED ON ANY EASEMENT WITHOUT THE PRIOR WRITTEN APPROVAL OF THE GRANTORS AND GRANTEE'S OF SUCH EASEMENTS AND ALL APPLICABLE CITY APPROVAL PERMITS AS REQUIRED FOR SUCH ENCROACHMENT.
 3. IN THOSE CASES WHERE EASEMENTS OF DIFFERENT TYPES CROSS OR OTHERWISE COINCIDE, DRAINAGE EASEMENTS SHALL HAVE FIRST PRIORITY, UTILITY EASEMENTS SHALL HAVE SECOND PRIORITY, ACCESS EASEMENTS SHALL HAVE THIRD PRIORITY AND ALL OTHER EASEMENTS SHALL BE SUBORDINATE TO THESE WITH THEIR PRIORITIES BEING DETERMINED BY US RIGHTS THEREOF.
 4. ALL LINES ARE NON-RADIAL UNLESS OTHERWISE NOTED.
 5. NOTICE: THIS PLAT, AS RECORDED IN ITS GRAPHIC FORM, IS THE OFFICIAL DEPICTION OF THE SUBDIVIDED LANDS DESCRIBED HEREIN, AND WILL IN NO CIRCUMSTANCES BE SUPPLANTED IN AUTHORITY BY ANY OTHER GRAPHIC OR DIGITAL FORM OF THE PLAT. THERE MAY BE ADDITIONAL RESTRICTIONS THAT ARE NOT RECORDED ON THIS PLAT THAT MAY BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY.
 6. BEARINGS AS SHOWN HEREON ARE BASED UPON THE EAST LINE OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, HAVING A GRID BEARING OF SOUTH 01°20'36" WEST, WHICH IS RELATIVE TO THE NORTH AMERICAN DATUM (N.A.D.) 83, 1985 ADJUSTMENT.

CITY OF PALM BEACH GARDENS REVIEWING SURVEYOR
THIS PLAT HAS BEEN REVIEWED FOR CONFORMITY IN ACCORDANCE WITH CHAPTER 177.01(11) OF THE FLORIDA STATUTES AND THE ORDINANCES OF THE CITY OF PALM BEACH GARDENS, FLORIDA. THIS REVIEW DOES NOT INCLUDE THE VERIFICATION OF THE GEOMETRIC DATA OR THE FIELD VERIFICATION OF PERMANENT CONTROL POINTS AND MONUMENTS AT LOT CORNERS.

RONNIE L. FURNISS
PROFESSIONAL SURVEYOR AND MAPPER
LICENSE NO. LS 6272

SURVEYOR'S CERTIFICATE
STATE OF FLORIDA
COUNTY OF PALM BEACH
I HEREBY CERTIFY THAT THE PLAT SHOWN HEREON IS A TRUE AND CORRECT REPRESENTATION OF A SURVEY MADE UNDER MY RESPONSIBLE DIRECTION AND SUPERVISION; THAT SAID SURVEY IS ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF; THAT PERMANENT REFERENCE MONUMENTS (P.R.M.'S), HAVE BEEN PLACED AS REQUIRED BY LAW, AND THAT PERMANENT CONTROL POINTS (P.C.P.'S), AND MONUMENTS ACCORDING TO SECTION 177.01(11), F.S., WILL BE SET UNDER THE GUARANTEES PORTED WITH THE CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA FOR THE REQUIRED IMPROVEMENTS; AND, FURTHER, THAT THE SURVEY DATA COMPLIES WITH ALL OF THE REQUIREMENTS OF CHAPTER 177 PART 1, PLATING, FLORIDA STATUTES, AS AMENDED, AND THE ORDINANCES OF THE CITY OF PALM BEACH GARDENS, FLORIDA.

DATED: _____
LESLIE C. BISPOTT
PROFESSIONAL SURVEYOR AND MAPPER
CERTIFICATE NO. 5888
STATE OF FLORIDA
CERTIFICATE OF AUTHORIZATION L.B.# 2438

THIS INSTRUMENT WAS PREPARED BY LESLIE C. BISPOTT, P.E. OF MICHAEL B. SCHORAH AND ASSOCIATES, INC., 1850 FOREST HILL BOULEVARD, SUITE 206, WEST PALM BEACH, FLORIDA.

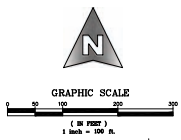


MICHAEL B. SCHORAH & ASSOCIATES, INC.
1850 FOREST HILL BLVD., SUITE 206
WEST PALM BEACH, FLORIDA 33406
E8R 2438 TEL. (561) 968-0080 FAX. (561) 940-0726 L8R 2438

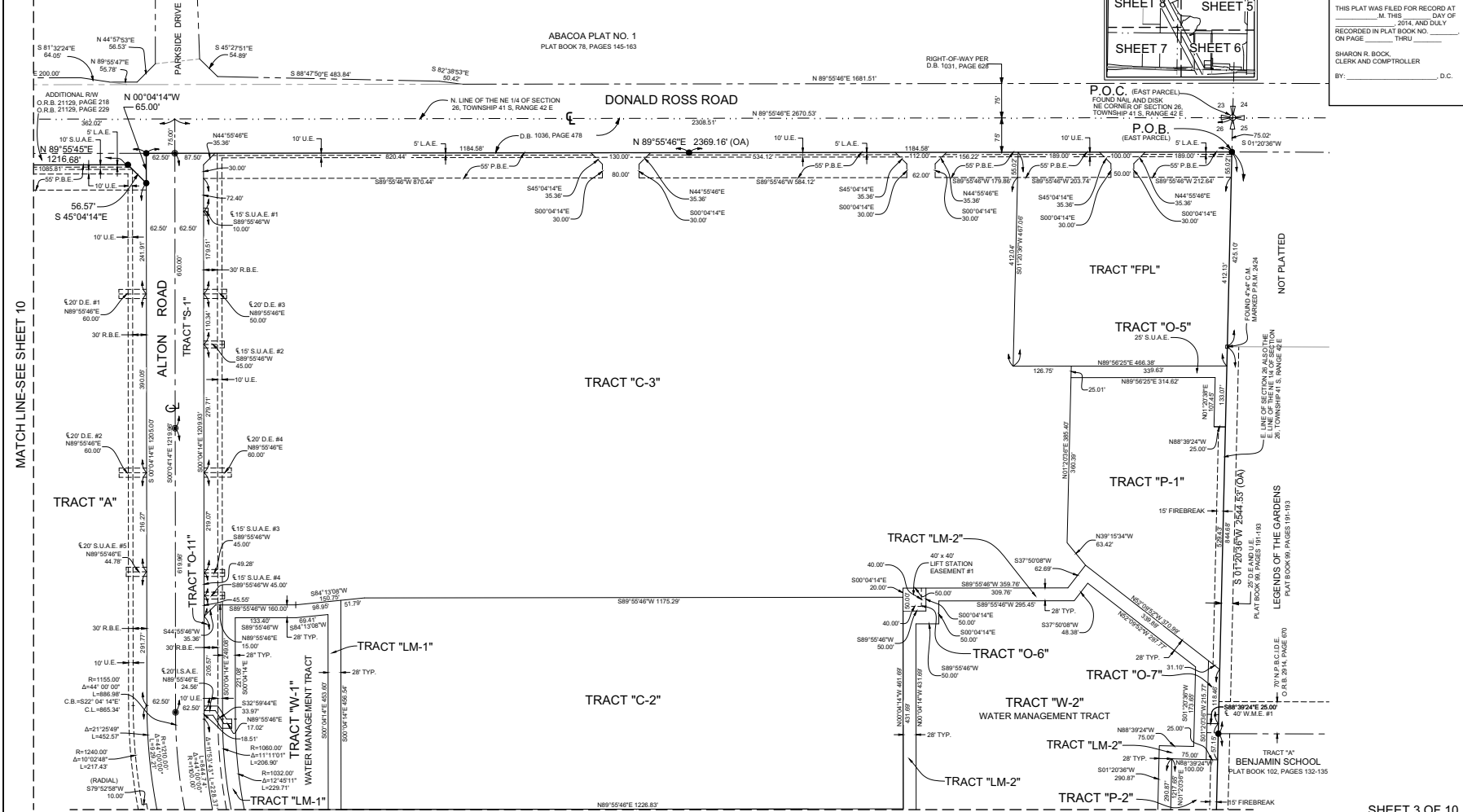
ALTON PCD

ALTON PCD

LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST,
CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.
SHEET 3 OF 10



COUNTY OF PALM BEACH } SS
STATE OF FLORIDA }
THIS PLAT WAS FILED FOR RECORD AT }
M. THIS } DAY OF }
2014, AND DULY }
RECORDED IN PLAT BOOK NO. }
ON PAGE } TRU }
SHARON R. BOCK, }
CLERK AND COMPTROLLER }
BY: _____, D.C.



MATCHLINE-SEE SHEET 10

MATCHLINE-SEE SHEET 4

NOT PLATTED

LEGENDS OF THE GARDENS
PLAT BOOK 98, PAGES 151-153
PLAT BOOK 102, PAGES 132-135
C.O.R. 12, 2014, PAGE 670

SHEET 3 OF 10

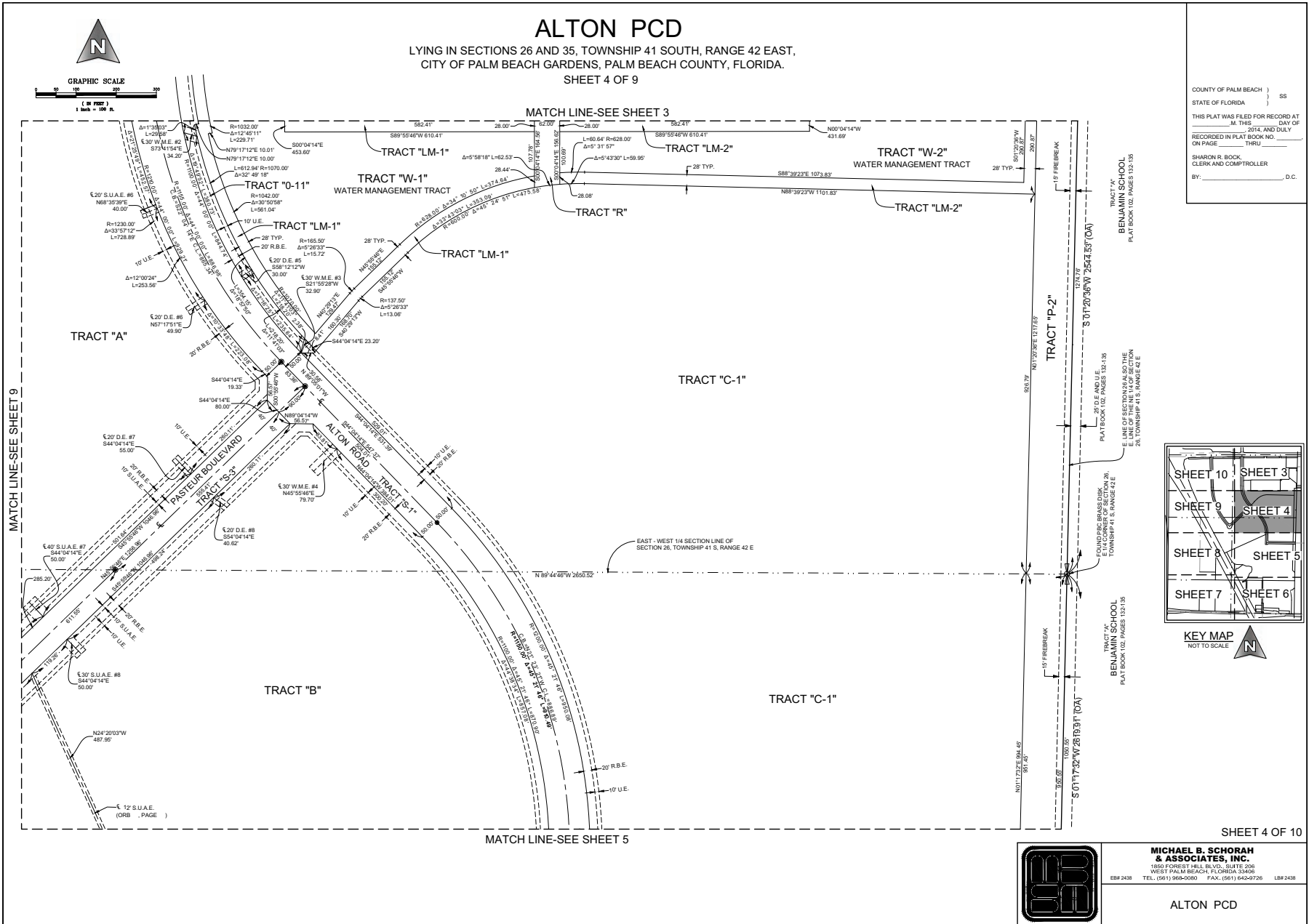
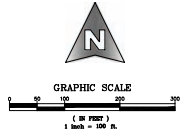


MICHAEL B. SCHORAH & ASSOCIATES, INC.
1850 FOREST HILL BLVD., SUITE 200
WEST PALM BEACH, FLORIDA 33406
EB# 2438 TEL. (561) 966-0080 FAX. (561) 644-0726 LB# 2438

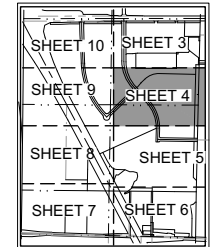
ALTON PCD

ALTON PCD

LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST,
CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.
SHEET 4 OF 9



COUNTY OF PALM BEACH } SS
STATE OF FLORIDA }
THIS PLAT WAS FILED FOR RECORD AT _____ M. THIS _____ DAY OF _____ 2014, AND DULY RECORDED IN PLAT BOOK NO. _____ ON PAGE _____ THERE.
SHARON R. BOCK, CLERK AND COMPTROLLER
BY: _____, D.C.



KEY MAP
NOT TO SCALE

SHEET 4 OF 10

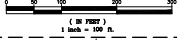


MICHAEL B. SCHORAH & ASSOCIATES, INC.
1850 FOREST HILL BLVD., SUITE 200
WEST PALM BEACH, FLORIDA 33406
E8# 2438 TEL. (561) 966-0080 FAX. (561) 644-0726 L8# 2438

ALTON PCD



GRAPHIC SCALE

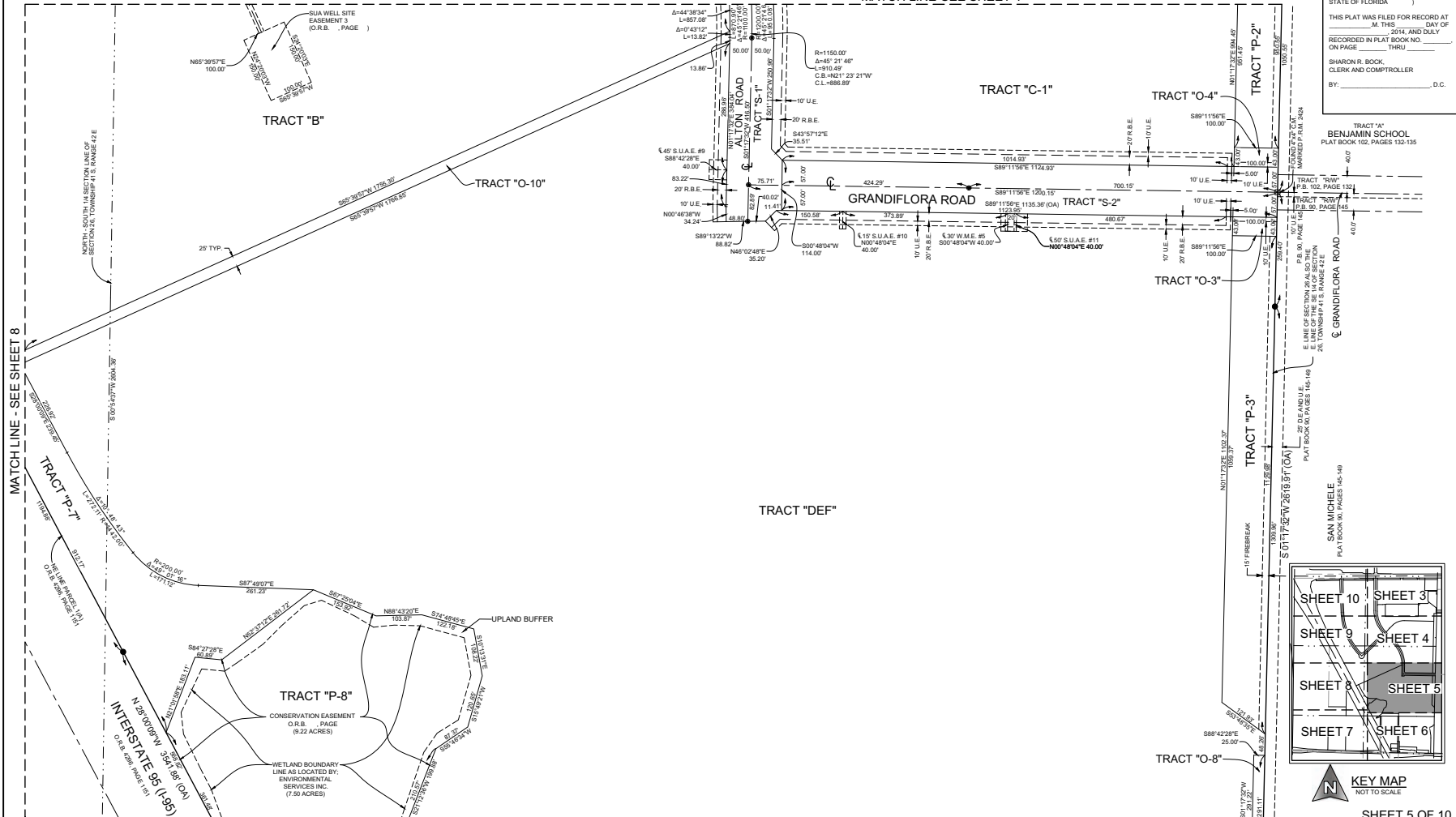


ALTON PCD

LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST,
CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.

SHEET 5 OF 10

MATCH LINE-SEE SHEET 4



MATCH LINE - SEE SHEET 8

MATCH LINE-SEE SHEET 6

COUNTY OF PALM BEACH } SS
STATE OF FLORIDA }
THIS PLAT WAS FILED FOR RECORD AT _____ M. THIS _____ DAY OF _____ 2014, AND DULY RECORDED IN PLAT BOOK NO. _____ ON PAGE _____ THEREBY.
SHARON R. BOCK, CLERK AND COMPTROLLER
BY: _____, D.C.

TRACT 'A'
BENJAMIN SCHOOL
PLAT BOOK 102, PAGES 132-135

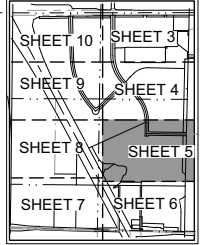
TRACT 'O-10'
P.B. # 102, PAGE 132

TRACT 'O-3'
P.B. # 102, PAGE 132

TRACT 'P-3'
P.B. # 102, PAGE 132

TRACT 'P-2'
P.B. # 102, PAGE 132

TRACT 'O-8'
P.B. # 102, PAGE 132



KEY MAP
NOT TO SCALE

SHEET 5 OF 10



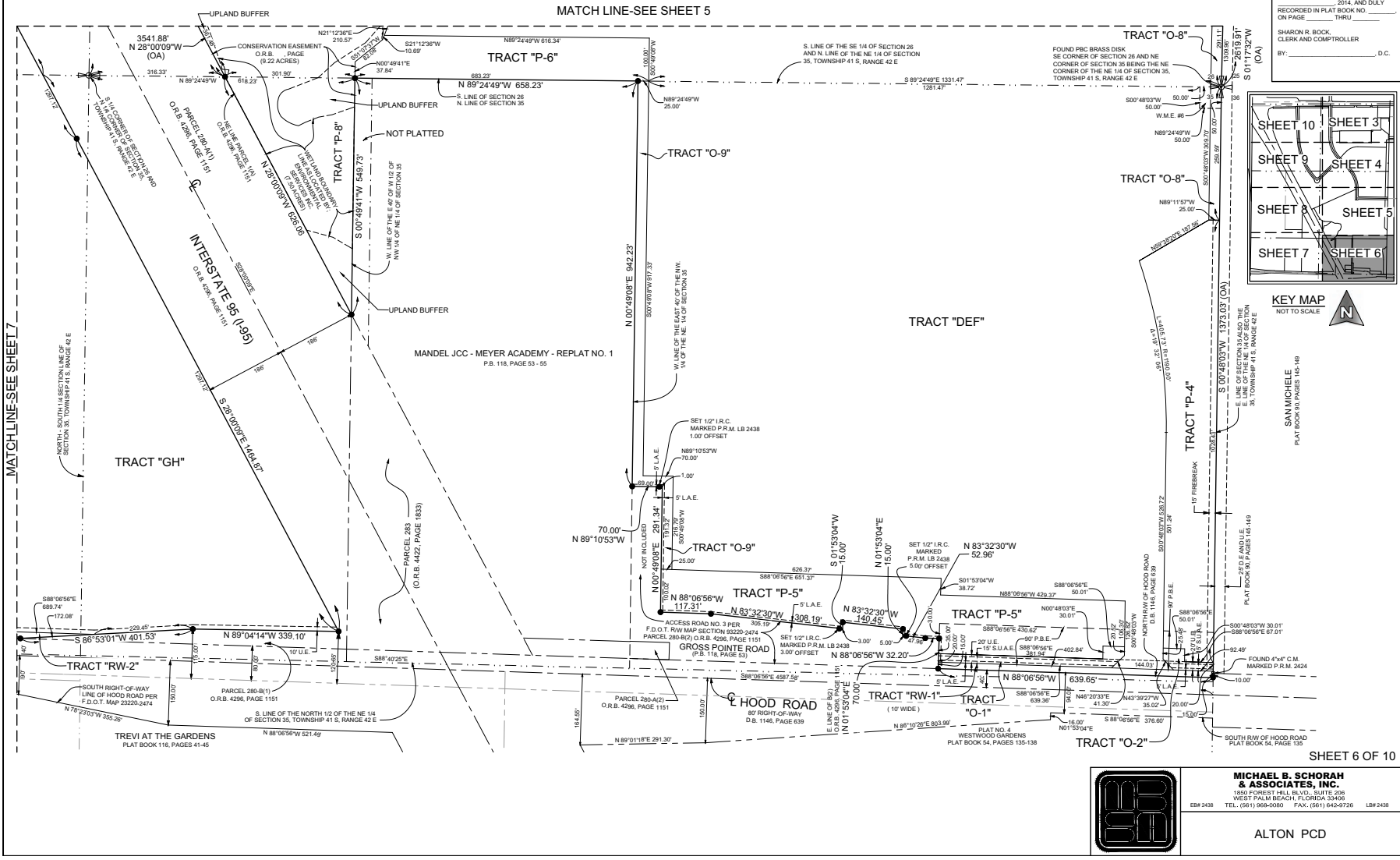
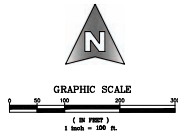
MICHAEL B. SCHORAH & ASSOCIATES, INC.
1950 FOREST HILL BLVD., SUITE 200
WEST PALM BEACH, FLORIDA 33406
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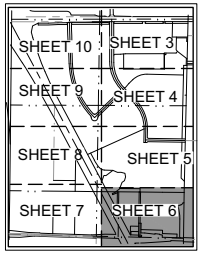
LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST,
CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.

SHEET 6 OF 10



COUNTY OF PALM BEACH } SS
STATE OF FLORIDA }
THIS PLAT WAS FILED FOR RECORD AT }
M. THIS } DAY OF }
2014, AND DULY }
RECORDED IN PLAT BOOK NO. }
ON PAGE } TRUJ

SARON R. BOCK, CLERK AND COMPTROLLER
BY: _____, D.C.



KEY MAP
NOT TO SCALE

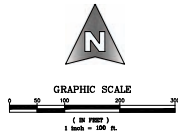
SAN MICHELE
PLAT BOOK 90, PAGES 145-149

SHEET 6 OF 10



MICHAEL B. SCHORAH & ASSOCIATES, INC.
1950 FOREST HILL BLVD., SUITE 200
WEST PALM BEACH, FLORIDA 33406
TEL. (561) 966-0080 FAX. (561) 644-0726 LSR 2438

ALTON PCD

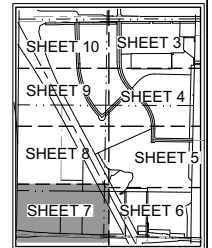


ALTON PCD

LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST,
CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.
SHEET 7 OF 10

MATCH LINE-SEE SHEET 8

COUNTY OF PALM BEACH } SS
STATE OF FLORIDA }
THIS PLAT WAS FILED FOR RECORD AT
M. THIS _____ DAY OF
_____, 2014, AND DULY
RECORDED IN PLAT BOOK NO. _____
ON PAGE _____ THRU _____
SHARON R. BOCK,
CLERK AND COMPTROLLER
BY: _____, D.C.



KEY MAP
NOT TO SCALE

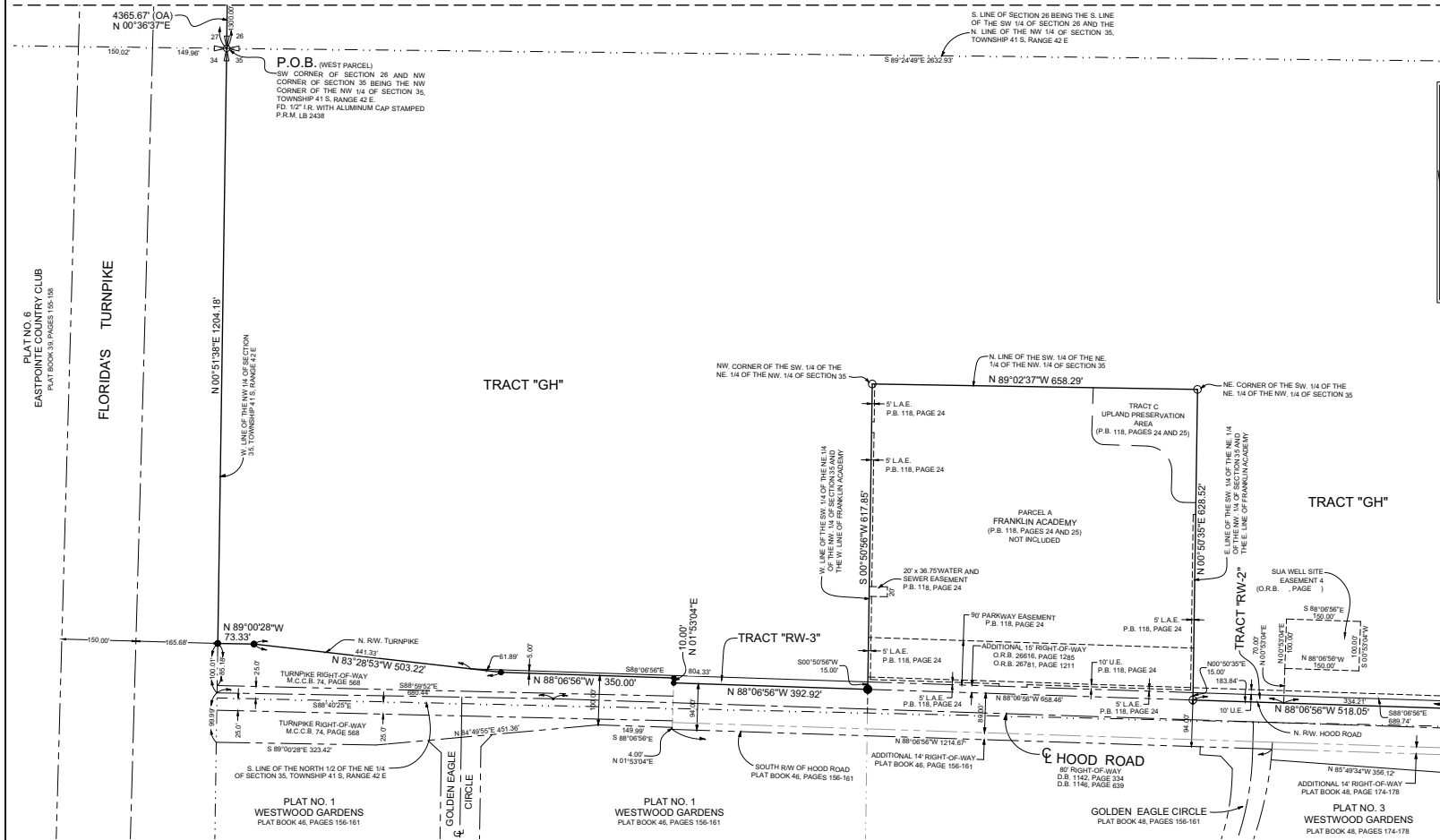
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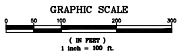
SHEET 7 OF 10



MICHAEL B. SCHORAH & ASSOCIATES, INC.
1950 FOREST HILL BLVD., SUITE 200
WEST PALM BEACH, FLORIDA 33406
E84 2438 TEL. (561) 966-0080 FAX. (561) 644-0726 L84 2438

ALTON PCD





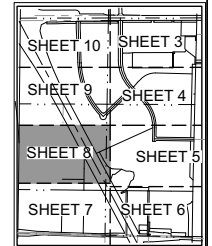
ALTON PCD

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CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.

SHEET 8 OF 10

MATCH LINE-SEE SHEET 9

COUNTY OF PALM BEACH } SS
STATE OF FLORIDA }
THIS PLAT WAS FILED FOR RECORD AT _____ M. THIS _____ DAY OF _____ 2014, AND DULY
RECORDED IN PLAT BOOK NO. _____
ON PAGE _____ THRU _____
SHARON R. BOCK,
CLERK AND COMPTROLLER
BY: _____, D.C.



KEY MAP
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MATCH LINE-SEE SHEET 5

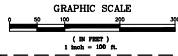
SHEET 8 OF 10

MATCH LINE-SEE SHEET 7



**MICHAEL B. SCHORAH
& ASSOCIATES, INC.**
1950 FOREST HILL BLVD., SUITE 200
WEST PALM BEACH, FLORIDA 33406
EB# 2438 TEL. (561) 966-0080 FAX. (561) 644-0726 LSR# 2438

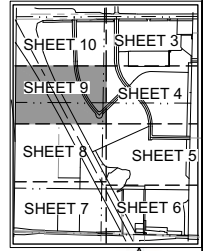
ALTON PCD



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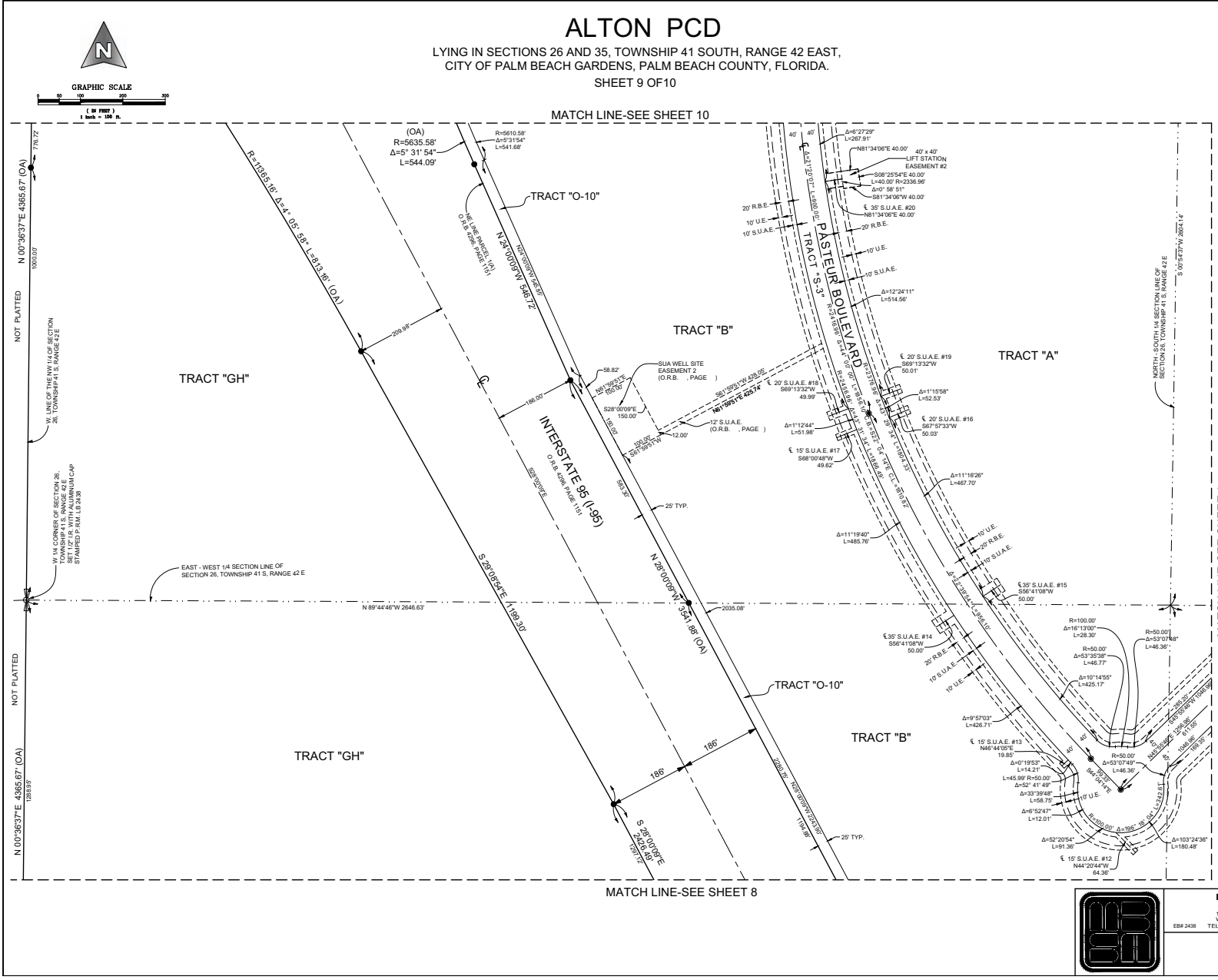
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CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.
SHEET 9 OF 10

COUNTY OF PALM BEACH } SS
STATE OF FLORIDA }
THIS PLAT WAS FILED FOR RECORD AT
M. THIS _____ DAY OF
RECORDED IN PLAT BOOK NO. _____
ON PAGE _____ THRU _____
SHARON R. BOCK,
CLERK AND COMPTROLLER
BY: _____, D.C.



KEY MAP
NOT TO SCALE

SHEET 9 OF 10



MATCH LINE-SEE SHEET 4

MATCH LINE-SEE SHEET 8

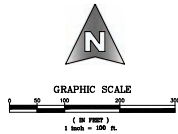


**MICHAEL B. SCHORAH
& ASSOCIATES, INC.**
1850 FOREST HILL BLVD., SUITE 200
WEST PALM BEACH, FLORIDA 33406
ESH 2438 TEL. (561) 966-0080 FAX. (561) 644-0726 LSH 2438

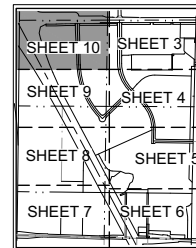
ALTON PCD

ALTON PCD

LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST,
CITY OF PALM BEACH GARDENS, PALM BEACH COUNTY, FLORIDA.
SHEET 10 OF 10



COUNTY OF PALM BEACH } SS
STATE OF FLORIDA }
THIS PLAT WAS FILED FOR RECORD AT }
M. THIS } DAY OF }
2014, AND DULY }
RECORDED IN PLAT BOOK NO. }
ON PAGE } THRU }
SHARON R. BOCK }
CLERK AND COMPTROLLER }
BY: _____ } D.C.



KEY MAP
NOT TO SCALE

MATCH LINE-SEE SHEET 3

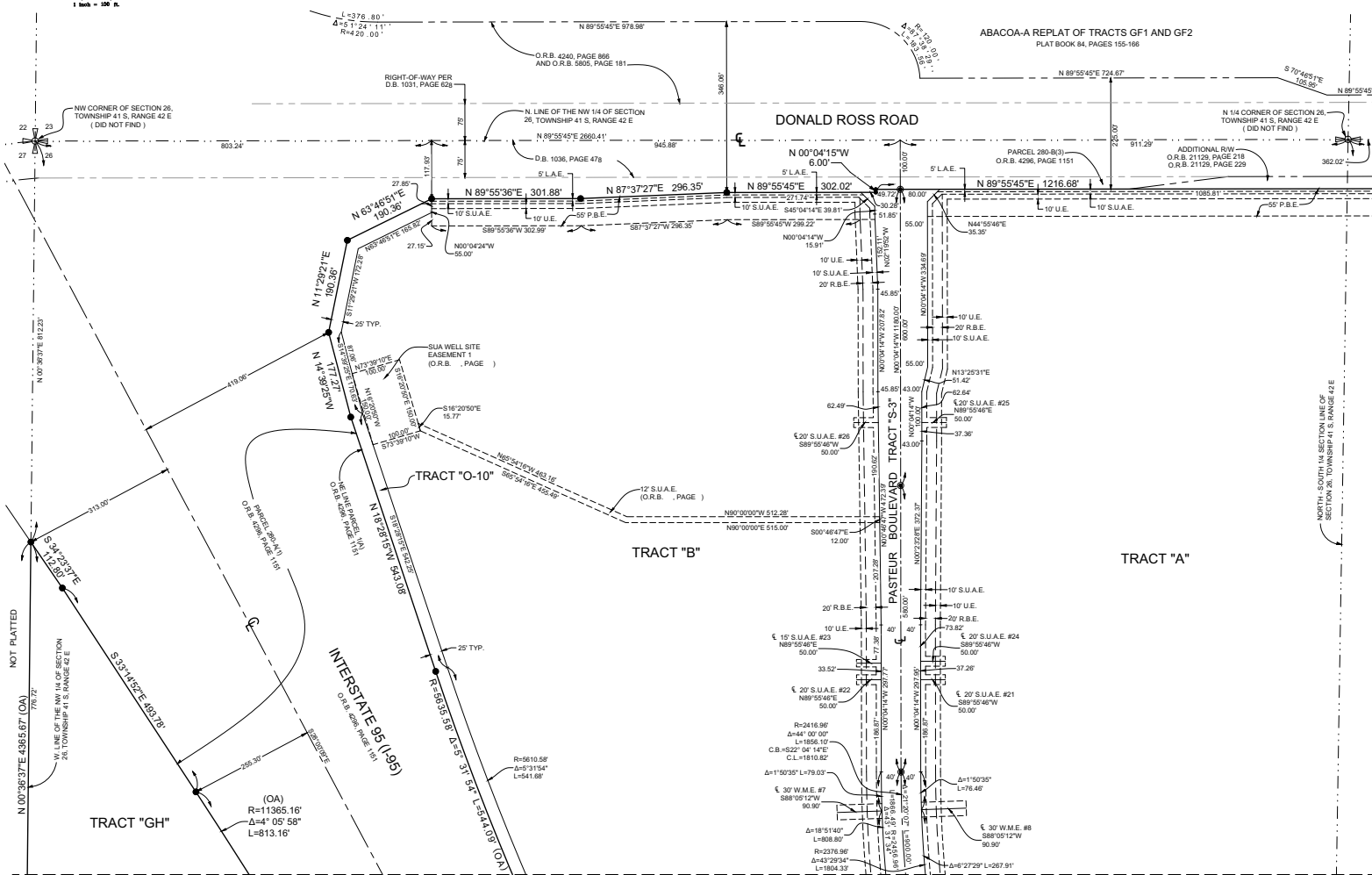
SHEET 10 OF 10

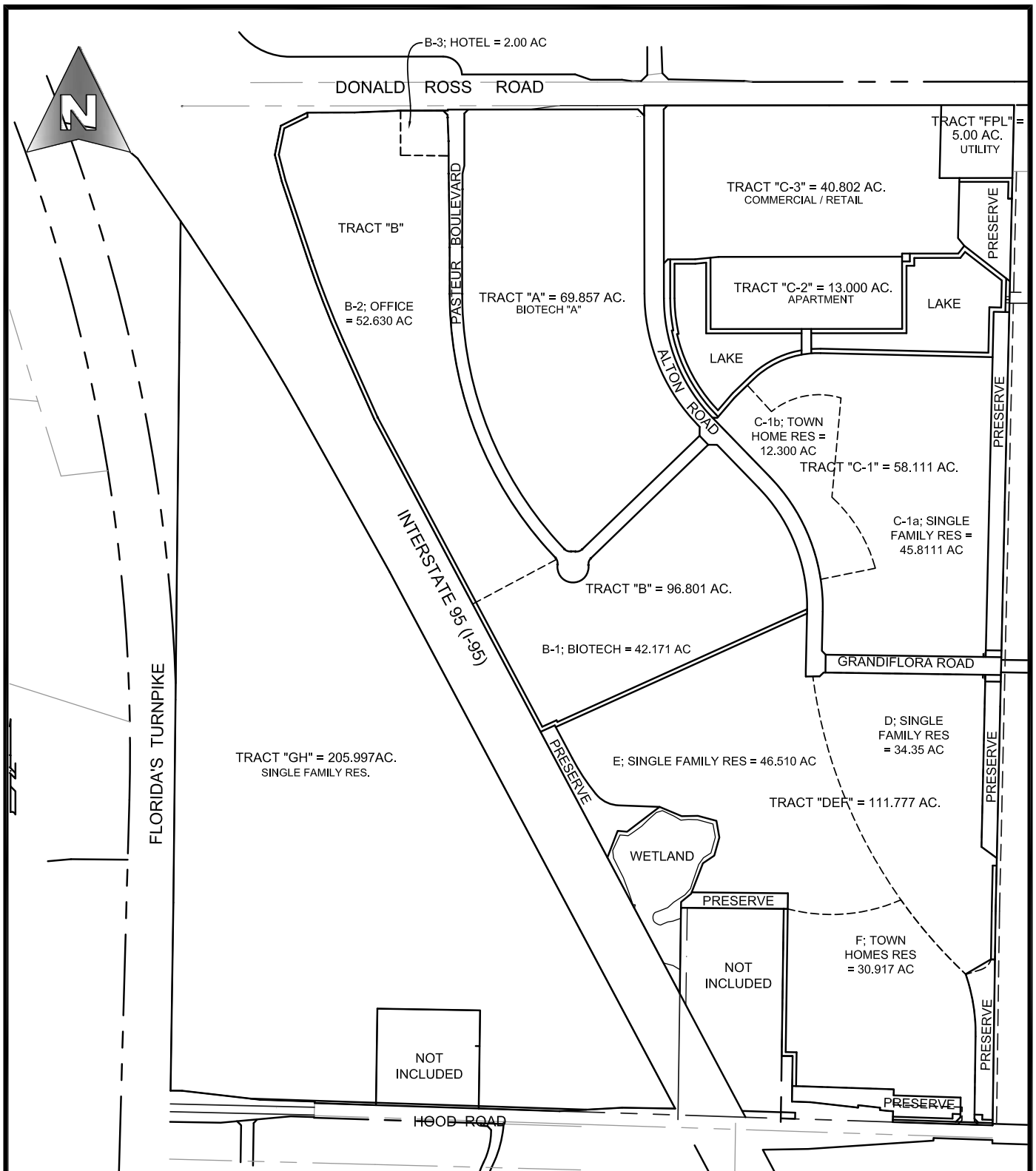
MATCH LINE-SEE SHEET 9



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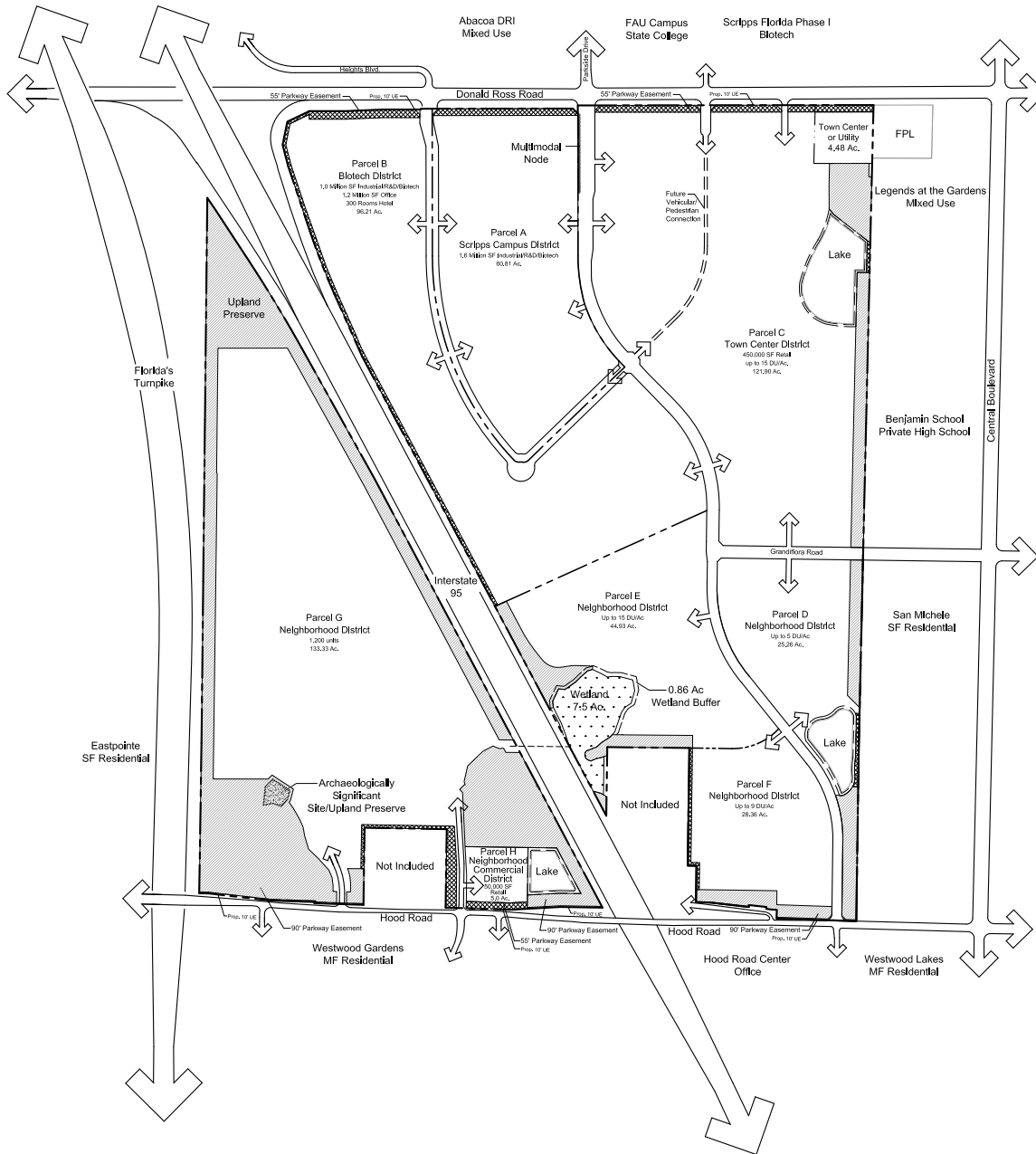
ALTON PCD





ALTON PCD LAND DESIGNATION EXHIBIT

NOTE: LOCATION OF USES SHOWN IS CONCEPTUAL AND SUBJECT TO CHANGE



Location Map



Development Program

West Parcel	206.38 Ac.
Retail	50,000 sq ft
Apartments	350 units
Multifamily	600 units
Single Family	250 units
East Parcel	475.31 Ac.
Industrial/R&D/Biotech	2,600,000 sq ft
Office	1,200,000 sq ft
Hotel	300 rooms
Retail	450,000 sq ft
Apartments	350 units
Multifamily	800 units
Single Family	350 units
Hospitals	per conversion matrices
Post Secondary Schools	per conversion matrices

Open Space:
A minimum of 136.34 acres of open space will be provided.

Access Points:
All internal access points indicated on Map H are illustrative and should not be construed to be accurate in quantity or location.

Disclaimer:
Roadways/Parcel Boundaries/Lakes: Internal roadway parcel locations and parcel boundaries may be adjusted to reflect site engineering. Points of external access may not be significantly modified. Lake parcels are conceptual and lake configurations will be finalized during site plan approval process.

- Legend**
- Wetland 7.5 Ac.
Wetland Buffer 0.86 Ac.
 - Upland Preserve/Restoration 83.26 Ac.
(An additional 12.34 Ac. will be preserved off site)
 - Parkway Easement/PCD Buffers
 - Archaeologically Significant Site/
Upland Preserve 0.71 Ac.
 - Lake
 - Multimodal Node

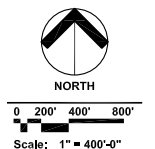
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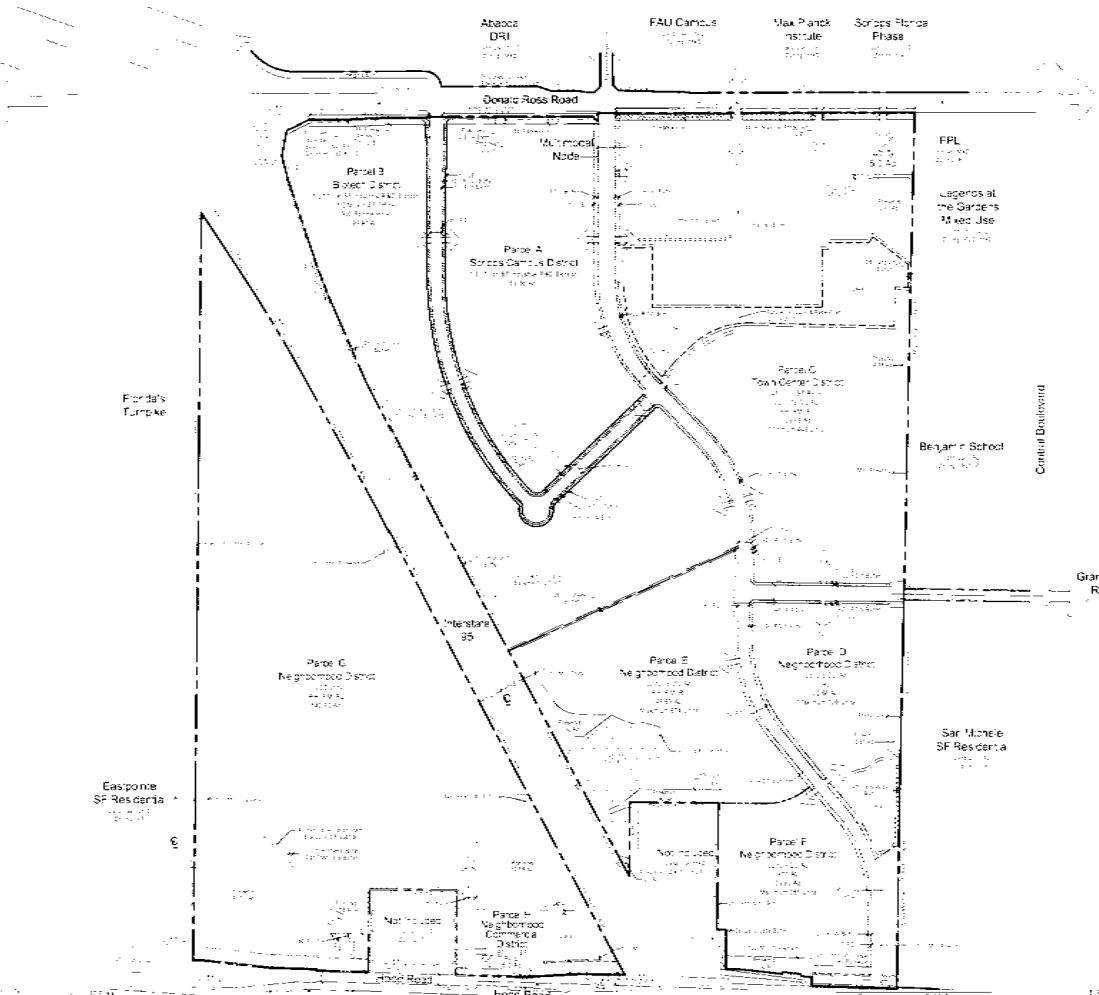
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Date:	11.05.09
Project No.:	88-439-005
Designed By:	SCM/MB
Drawn By:	SCM/MB
Checked By:	KT
Submittal Dates / Comments	
01.29.09	
05.29.09	
06.11.09	
11.29.09	
03.02.10 - Revisions	

**Scripps Florida Phase II
Brigr Tract DRI
Palm Beach Gardens, Florida
Map H**



Sheet 1
of 1



Site Data

Current Zoning	.....	RPD
Proposed Zoning	.....	MXD PCD Overlay
Current Land Use	.....	MXD
Proposed Land Use	.....	MXD
Total Site Area	.....	587,89 Ac.
Capacity		
Residential Units	.....	11,204
Jobs	.....	4,800
Population	.....	18,288
Bedroom Units	.....	18,288
Bedroom Units Range	.....	28,354 - 42

Development Program

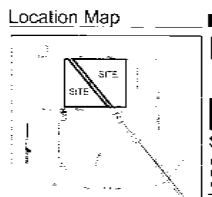
Total	.....	208,38 Ac.
Open Space	.....	81,000 sq ft
Commercial	.....	350,000 sq ft
Multi-Family	.....	500,000 sq ft
Single-Family	.....	200,000 sq ft
Basement	.....	470,000 sq ft
Community	.....	2,000,000 sq ft
Office	.....	1,000,000 sq ft
Hotel	.....	1,000,000 sq ft
Apartment	.....	400,000 sq ft
Multi-Family	.....	200,000 sq ft
Single-Family	.....	200,000 sq ft

Site Area Breakdown

Total	.....	587,89 Ac.
Parcel A - Streets Carved District	.....	89,89 Ac.
Parcel B - Street District	.....	95,21 Ac.
Parcel C - Town Center District	.....	153,88 Ac.
Parcel D - Neighborhood District	.....	92,99 Ac.
Parcel E - Neighborhood District	.....	48,99 Ac.
Parcel F - Neighborhood District	.....	43,81 Ac.
Parcel G - Neighborhood District	.....	102,99 Ac.
Parcel H - Neighborhood District	.....	81,99 Ac.
Parcel I - Neighborhood District	.....	81,99 Ac.
Land Preserve Area	.....	95,99 Ac.
Required	.....	95,99 Ac.
Open Space	.....	81,000 sq ft
Commercial	.....	350,000 sq ft
Multi-Family	.....	500,000 sq ft
Single-Family	.....	200,000 sq ft
Basement	.....	470,000 sq ft
Community	.....	2,000,000 sq ft
Office	.....	1,000,000 sq ft
Hotel	.....	1,000,000 sq ft
Apartment	.....	400,000 sq ft
Multi-Family	.....	200,000 sq ft
Single-Family	.....	200,000 sq ft

Open Space Calculations

Total Site Area	.....	587,89 Ac.
Required Open Space (20% Required)	.....	117,58 Ac.
Provided Open Space	.....	120,81 Ac. (103,68 Ac. Required)
Reserve Area	.....	95,99 Ac.
Land Preserve Area	.....	95,99 Ac.
Wetland Area	.....	78,99 Ac.
Open Space	.....	81,000 sq ft
Commercial	.....	350,000 sq ft
Multi-Family	.....	500,000 sq ft
Single-Family	.....	200,000 sq ft
Basement	.....	470,000 sq ft
Community	.....	2,000,000 sq ft
Office	.....	1,000,000 sq ft
Hotel	.....	1,000,000 sq ft
Apartment	400,000 sq ft
Multi-Family	200,000 sq ft
Single-Family	200,000 sq ft



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MXD Land Allocation

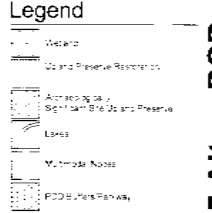
Open Space	27%
Commercial	27%
Multi-Family	27%
Single-Family	27%
Basement	.....	27%
Community	.....	27%
Office	.....	27%
Hotel	.....	27%
Apartment	.....	27%
Multi-Family	.....	27%
Single-Family	.....	27%

MXD Lot Coverage

Commercial	.....	50%
Multi-Family	.....	50%
Single-Family	.....	50%
Basement	.....	50%
Community	.....	50%
Office	.....	50%
Hotel	.....	50%
Apartment	.....	50%
Multi-Family	.....	50%
Single-Family	.....	50%

MXD Height

Commercial	.....	40 Feet
Multi-Family	.....	40 Feet
Single-Family	.....	40 Feet
Basement	.....	40 Feet
Community	.....	40 Feet
Office	.....	40 Feet
Hotel	.....	40 Feet
Apartment	.....	40 Feet
Multi-Family	.....	40 Feet
Single-Family	.....	40 Feet



Alton PCD

Palm Beach Gardens, Florida

PCD Master Plan

Notes

- The Reserves Units allocated to Parcels C, D, E, and F (100,000 sq ft) and the portion of the PCD Master Plan to be included in the portion of the property parcel for Parcels C, D, E, and F shall be the maximum amount to be included in the PCD Master Plan.
- Parcel C: 100,000 sq ft
- Parcel D: 100,000 sq ft
- Parcel E: 100,000 sq ft
- Parcel F: 100,000 sq ft

The portion of reserves units are to be included in the portion of the property parcel for Parcels C, D, E, and F shall be the maximum amount to be included in the PCD Master Plan. The portion of reserves units are to be included in the portion of the property parcel for Parcels C, D, E, and F shall be the maximum amount to be included in the PCD Master Plan.

Final Approval
City of Palm Beach Gardens
Project Name: Palm Beach Gardens
Petition #: PCDR-2018-0001
Development Order: 18-0001
Date: 11/15/2018
Project Manager: [Signature]

Scale: 1" = 400'-0"

Sheet 1 of 1

APPENDIX D

UNIT OF DEVELOPMENT No. 2C

Report of Engineer

Northern Palm Beach County Improvement District

January 10, 2014

Latest Revision February 14, 2014



Infrastructure, environment, facilities

2081 Vista Parkway, Suite 305

West Palm Beach, Florida 33411

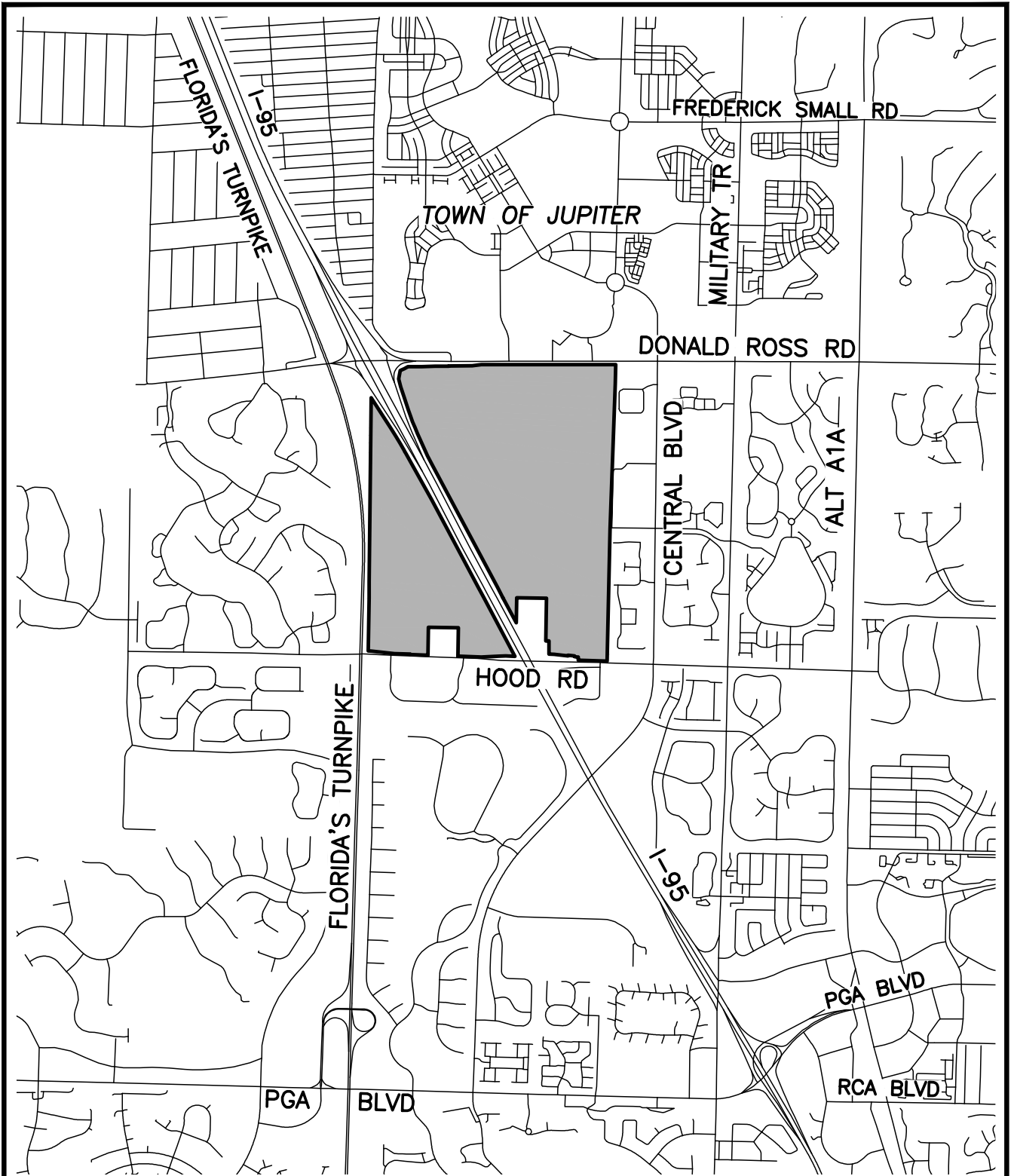
561-697-7000

561-697-7051 - fax

TABLE OF CONTENTS

LOCATION MAP	Page 1
AUTHORIZATION	Page 2
PURPOSE	Page 2
DEFINITIONS	Page 2
CONDITIONS	Page 3
FINDINGS	Page 3
RECOMMENDATIONS	Page 4
PLAN MODIFICATIONS	Page 5
ALTERNATE ASSESSMENT OPTIONS	Page 5
EXHIBITS	
Proposed Plan of Improvements	EXHIBIT "A"
Lands to be Acquired or Condemned	EXHIBIT "B"
Estimated Cost of Implementation & Organization	EXHIBIT "C"
Legal Description	EXHIBIT "D"
Assessable Real Property, Benefits, and Damages	EXHIBIT "D-1"
Benefit Assessment and Apportionment	EXHIBIT "D-2"
Parcel Designation Map	EXHIBIT "E"

Date\Time : Fri, 14 Feb 2014 - 11:45am Path\Name : G:\AProjects\LNK\WF\WF059000\Unit Projects\Unit 2C\EXHIB A_LOCATION MAP.dwg



NOT TO SCALE

LOCATION MAP

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
UNIT OF DEVELOPMENT NO. 2C

REPORT OF ENGINEER

This Report of Engineer (the "Report") was prepared by ARCADIS U.S., Inc., (the "District Engineer") in its capacity as the District Engineer for Northern Palm Beach County Improvement District, an Independent Special District of the State of Florida, (hereinafter referred to as "Northern"). The District Engineer states as follows:

1. AUTHORIZATION

This Report was prepared by the District Engineer pursuant to the applicable provisions of Chapter 298, Florida Statutes, and Chapter 2000-467, Laws of Florida, as amended (together the "Act") and authorized by the Resolution adopted by Northern's Board of Supervisors on the 25th day of September, 2013 for its Unit of Development No. 2C (the "Unit of Development").

2. PURPOSE

This Report has been prepared to assist Northern's Board of Supervisors in its consideration of the proposed Plan of Improvements for the Unit of Development. The Report addresses all lands described in Exhibit "D".

Improvements and maintenance responsibilities identified in the Plan of Improvements for both Community and Parcel Infrastructure include the surface water management system, off-site roadways, on-site roadways, lighting, water, sewer, landscape and hardscape improvements, inspection fees and wetland/preserve area enhancement.

At the time of this Report, no improvements have been constructed by Northern for the Unit of Development and there has been no financing of any type by Northern authorized for construction of improvements.

3. DEFINITIONS

Except as hereinafter set forth, all capitalized terms and phrases used in the Report shall have the meaning ascribed thereto in the Act, and in addition the following terms have the following meanings:

- (A) "Assessable Real Property" means that real property identified in the attached Exhibit "D-1" and located within the Unit of Development which will receive benefits from implementation of the proposed Plan of Improvements and may be subject to the levy of non-ad valorem assessments by Northern if the Plan of Improvements is adopted by Northern's Board of Supervisors.
- (B) "Exempt Acres" means that real property located within the Unit of Development which will not be the subject of the levy of non-ad valorem assessments by Northern, including by way of example but not limitation: (i) real property owned by Northern, the Board of Trustees of the Internal Improvement Trust Fund,

Condominium Common Areas, and in certain circumstances Property Owner Association Common Areas, and (ii) public road rights-of-way.

- (C) "Plan of Improvements" means the "Water Control Plan" for the Unit of Development, a copy of which is on file in the administrative offices of Northern and which is incorporated herein by this reference.

4. **CONDITIONS**

The findings and opinions of the District Engineer expressed in this Report are subject to the following understandings and conditions:

- (A) In rendering the findings and opinions set forth herein, the District Engineer has considered and in certain instances relied upon opinions, information and documentation prepared or supplied by others, which may have included: public officials, public entities, individuals or entities having an interest in some or all of the real property which comprises the Unit of Development, engineering professionals, property appraisers, surveyors, developers, and Northern's staff and consultants.
- (B) The factual information contained herein relating to the: (i) quantity of acreage, (ii) description of the real property located within the Unit of Development, and (iii) names of the owners of said acreage, was supplied by the Palm Beach County Tax Collector's Office and the Property Appraiser's Office.

Information pertaining to (i) quantity of acreage by land use and (ii) number of proposed residential units was supplied by The Kolter Group, LLC, (the "Developer") and its engineering, surveying, and planning consultants.

- (C) At this time, the improvements described in the proposed Plan of Improvements are being designed and permitted. The estimate of the cost of construction of the proposed Plan of Improvements was based, in part, upon engineering cost estimates submitted by Michael B. Schorah and Associates, Inc. and the Developer's team.

5. **FINDINGS**

Subject to and conditioned upon the above, the District Engineer finds and reports as follows:

- (A) The District Engineer has visited and viewed the Unit of Development.
- (B) Attached hereto as Exhibit "B" is a description of all lands located either within

or outside of the Unit of Development that need to be acquired by purchase or condemnation and be used for rights-of-way or other works set out in the proposed Plan of Improvements.

- (C) All Assessable Real Property located within the Unit of Development will be improved and benefited from the implementation of the Plan of Improvements.
- (D) Attached hereto as Exhibit "C" and incorporated herein is the estimated cost of:
 - (1) constructing and/or implementing the proposed Plan of Improvements
 - (2) the probable expense of the initial organization and administration of the Unit of Development and improvements authorized in the proposed Plan of Improvements
- (E) Attached hereto as Exhibit "D-1" and incorporated herein is the following:
 - (1) the name(s) of the fee title owner(s) of Assessable Real Property
 - (2) parcel control numbers of the Assessable Real Property
 - (3) the number of acres of Assessable Real Property
 - (4) the Amount of Determined Benefits
 - (5) the Amount of Determined Damages
 - (6) the number of acres to be taken for rights-of-way, Northern works, etc.

6. RECOMMENDATIONS

Northern will need funding in order to: (A) maintain and preserve the works of the proposed Plan of Improvements (including their subsequent repair, upgrade, relocation, restoration and/or replacement when needed), and (B) pay its expenses relating to administration and management of the Unit of Development.

Since these expenses may fluctuate, the District Engineer recommends that an annual "Maintenance Assessment" be determined, assessed, apportioned and levied by Northern's Board of Supervisors upon the Assessable Real Property located within the Unit of Development for the purpose of defraying the above described costs and expenses.

The Maintenance Assessment should be determined, assessed, apportioned and levied upon the Assessable Real Property within the Unit of Development pursuant to the Act and in accordance with the allocation and apportionment of the Amount of Determined Benefits as set forth in Exhibit "D-2".

7. **PLAN MODIFICATIONS**

During development and implementation of the Plan of Improvements it may be necessary to make some modifications and deviations to the Plan of Improvements. Therefore, if such modifications or deviations do not change the overall primary objective of the Plan of Improvements and the costs for same do not exceed the total of the Amount of Determined Benefits as herein determined, such changes will not materially affect the benefits accruing to the Assessable Real Property as long as the Assessable Real Property received the same or greater total Amount of Determined Benefits as set forth herein.

8. **ALTERNATE ASSESSMENT OPTIONS**

This Report, including the recommendations and findings contained herein, is not intended nor should it be construed as limiting or restricting Northern's authority to exercise alternative or additional procedures for the levy and assessment of special assessments, including the power to determine, order, levy, impose, collect and enforce special assessments pursuant to Chapter 170, Florida Statutes.

Robert W. Lawson, P.E.
FL P.E. Number: 26640

Date

ARCADIS U.S., Inc.
2081 Vista Parkway, Suite 305
West Palm Beach, FL 33411
Phone: 561-697-7000
Fax: 561-697-7751

**NOTE: Reproductions of this report are not valid unless signed,
dated and embossed with an Engineer's seal.**

**PROPOSED
PLAN OF IMPROVEMENTS
for
UNIT OF DEVELOPMENT No. 2C**

A true and correct copy of the Plan of Improvements, as may be amended or revised from time to time, for Unit of Development No. 2C is on file in the administrative offices of Northern Palm Beach County Improvement District located at 359 Hyatt Drive, Palm Beach Gardens, Florida and is incorporated herein by this reference.

EXHIBIT "A"

**DESCRIPTION OF LANDS TO BE ACQUIRED
BY PURCHASE OR CONDEMNATION**

NONE

EXHIBIT "B"

**ESTIMATED COST FOR IMPLEMENTATION OF
THE PLAN OF IMPROVEMENTS AND ORGANIZATIONAL EXPENSES
FOR UNIT OF DEVELOPMENT No. 2C**

COMMUNITY INFRASTRUCTURE IMPROVEMENT COST ESTIMATE

The following lists the components of Community Infrastructure included in the proposed Plan of Improvements for Unit of Development No. 2C together with their estimated costs of design, permitting, implementation and construction. An estimate for administrative, engineering, legal fees and contingencies associated with the improvements is also included.

Offsite Roadway/Intersection Improvements		\$ 6,500,000
Onsite Roadway Improvements		\$ 5,401,200
Clearing, Earthwork & Surface Water Management System		\$10,185,265
Onsite Water & Sewer Improvements		\$ 6,380,670
Onsite Landscape, Hardscape & Irrigation Improvements		\$ 6,930,000
Street and Pedestrian Lighting, Project Themes, Utility Sleeves, Inspection Fees & Preserve Fencing		\$ 5,059,549
Preserve Area Exotic Removal and Plantings		<u>\$ 720,000</u>
	Sub-Total	\$41,176,684
Contingency	@ 10	\$ 4,117,668
Engineering, Legal & Administration	@ 15%	<u>\$ 6,176,503</u>
	Sub-Total	\$10,294,171

COMMUNITY INFRASTRUCTURE COST ESTIMATE \$51,470,855

PARCEL INFRASTRUCTURE IMPROVEMENT COST ESTIMATE

The following lists the components of Parcel Infrastructure included in the proposed Plan of Improvements for Unit of Development No. 2C together with their estimated costs of design, implementation and construction. An estimate for administrative, engineering, legal fees and contingencies associated with the improvements is also included.

Parcel C		
Parcel Roadways		\$1,383,200
Drainage System		\$ 545,900
Water Distribution System		\$ 697,480
Wastewater Collection & Transmission System		<u>\$ 656,140</u>
	Sub-total	\$3,282,720
Contingency	@ 10	\$ 328,272
Engineering, Legal & Administration	@ 15%	<u>\$ 492,408</u>
	Total	\$4,103,400

Parcel D		
Parcel Roadways		\$ 694,500
Drainage System		\$ 323,300
Water Distribution System		\$ 312,900
Wastewater Collection & Transmission System		<u>\$ 265,523</u>
	Sub-total	\$1,596,223
Contingency	@ 10%	\$ 159,622
Engineering, Legal & Administration	@ 15%	<u>\$ 239,434</u>
	Total	\$1,995,279

Parcel E		
Parcel Roadways		\$1,299,200
Drainage System		\$ 408,600
Water Distribution System		\$ 531,390
Wastewater Collection & Transmission System		<u>\$ 450,931</u>
	Sub-total	\$2,690,121
Contingency	@ 10%	\$ 269,012
Engineering, Legal & Administration	@ 15%	<u>\$ 403,518</u>
	Total	\$3,362,651

Parcel F		
Parcel Roadways		\$ 873,600
Drainage System		\$ 393,600
Water Distribution System		\$ 451,560
Wastewater Collection & Transmission System		<u>\$ 451,560</u>
	Sub-total	\$2,170,320
Contingency	@ 10%	\$ 217,032
Engineering, Legal & Administration	@ 15%	<u>\$ 325,548</u>
	Total	\$2,712,900

Parcel G		
Water Distribution System		\$1,851,820
Wastewater Collection & Transmission System		\$2,153,390
Buffer Wall (I-95 & Turnpike)		<u>\$1,440,000</u>
	Sub-total	\$5,445,210
Contingency	@ 10%	\$ 544,521
Engineering, Legal & Administration	@ 15%	<u>\$ 816,782</u>
	Total	\$6,806,513

PARCEL INFRASTRUCTURE COST ESTIMATE \$18,980,743

**LEGAL DESCRIPTION
UNIT OF DEVELOPMENT No. 2C**

PARCEL 1

All of Section 26; less the West 3/4 of the South 1/8 of the Southwest 1/4 and the South 3/4 of the East 1/2 of the Southeast 1/4 of the Southwest 1/4. all in Township 41 South, Range 42 East, Palm Beach County, Florida; also LESS and EXCEPT the property described in Deed Book 1036, Page 478, covering the North 75 feet of Section 26, Township 41 South, Range 42 East, and also LESS and EXCEPT that parcel of real property vested in the State of Florida Department of Transportation pursuant to Order of Taking recorded in Official Records Book 4296, Page 1151 of the Public Records of Palm Beach County, Florida.

PARCEL 2

The South 1/2 of the Southwest 1/4 of the Southeast 1/4 of the Southwest 1/4, and the South 1/4 of the Southwest 1/4 of the Southwest 1/4, of Section 26, Township 41 South, Range 42 East, less that parcel of real property vested in the State of Florida Department of Transportation pursuant to Order of Taking recorded in Official Records Book 4296, Page 1151, Public Records of Palm Beach County, Florida.

PARCEL 3

The South 3/4 of the East 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 26, Township 41 South, Range 42 East, less that parcel of real property vested in the State of Florida Department of Transportation pursuant to Order of Taking recorded in Official Records Book 4296, Page 1151, Public Records of Palm Beach County, Florida.

PARCEL 4

The East 40 feet of the Northwest 1/4 of the Northeast 1/4; the East 1/2 of the Northeast 1/4 of the Northwest 1/4; the West 1/2 of the Northwest 1/4 of the Northeast 1/4, less the East 40 feet thereof; and the Northeast 1/4 of the Northeast 1/4, of Section 35, Township 41 South, Range 42 East; less that parcel of real property vested in the State of Florida Department of Transportation pursuant to Order of Taking recorded in Official Records Book 4296, Page 1151 and also less the right-of-way of Hood Road as described in Deed Book 1146, Page 639, Public Records of Palm Beach County, Florida.

PARCEL 5

The Northwest 1/4 of the Northwest 1/4 of Section 35, Township 41 South, Range 42 East, less the right-of-way for Hood Road as described in Deed Book 1142, Page 334 and also less the right-of-way for the Florida Turnpike. Together with the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4 of Section 35, Township 41 South, Range 42 East, Palm Beach County, Florida.

EXHIBIT D-1

ASSESSABLE REAL PROPERTY, BENEFITS, AND DAMAGES

	Column 1	Column 2	Column 3
	Owner of Property	Description of Property - PCN #	Number of Acres*
1)	Florida Power & Light	52424126000001040	5.00
2)	Palm Beach County	52424126000001020	31.18
3)	Palm Beach County	52424126000001030	23.39
4)	Multiple**	See attached deeds**	279.35

* Note: References are as to Assessable Real Property and less Exempt Acreage which may be created by plats and/or re-plats such as public roads, common areas conveyed to a Property Owners Association, or as prescribed in the Laws of Constitution of the State of Florida.

** There are eight deeds attached hereto that described the ownership of this land.

COMMUNITY INFRASTRUCTURE columns

Column 4	Column 5	Column 6
Amount of Determined Benefit	Amount of Determined Damages	Number of Acres to be Dedicated for Right of Way, Northern Works, Preserve, etc.
Benefits from <u>Community Infrastructure</u> have been determined to be \$78,828,378 This Amount of Determined Benefit should be allocated/apportioned in accordance with "Exhibit D-2."	None	258.20

PARCEL INFRASTRUCTURE columns

Column 4	Column 5	Column 6
<p>Amount of Determined Benefit</p> <p>This Amount of Determined Benefit should be allocated/apportioned in accordance with "Exhibit D-2."</p>	<p>Amount of Determined Damages</p>	<p>Number of Acres to be Dedicated for Right of Way, Northern Works, Preserve, etc.</p>
<p>Benefits from Parcel C Infrastructure have been determined to be \$5,782,858</p>	<p>None</p>	<p>None</p>
<p>Benefits from Parcel D Infrastructure have been determined to be \$2,349,942</p>	<p>None</p>	<p>None</p>
<p>Benefits from Parcel E Infrastructure have been determined to be \$3,993,492</p>	<p>None</p>	<p>None</p>
<p>Benefits from Parcel F Infrastructure have been determined to be \$3,540,353</p>	<p>None</p>	<p>None</p>
<p>Benefits from Parcel G Infrastructure have been determined to be \$10,454,340</p>	<p>None</p>	<p>None</p>

EXHIBIT "B"
LIMITATIONS ON GRANTOR'S LIABILITY

In addition to the limitations on the warranties of Grantor expressly set forth in this Special Warranty Deed (the "Deed"), the following limitations and clarifications shall apply to Grantor's liability with respect to its warranties set forth in this Deed:

1. The liability of Grantor under the warranties set forth in this Deed is several and not joint.
2. The liability of each Grantor with respect to the warranties set forth in this Deed is limited to the proportion that his or its undivided interest in the Property bears to the liability of all undivided interests in the Property.
3. The Property described on Exhibit "A" to this Deed is intended to be a portion of the property acquired by Grantor's predecessors in title in that certain Warranty Deed from Bella Meyerson as grantor and David Minkin, Elias Thall and Dorothy Thall, husband and wife, and Sigmund S. Briger and Lillian Briger, husband and wife, as grantees, recorded in Deed Book 1146, Page 63, of the Public Records of Palm Beach County, Florida.

EXHIBIT D-2

BENEFIT ASSESSMENT DETERMINATION AND APPORTIONMENT

Unit of Development No. 2C (the "Unit") consists of approximately 681.69 acres of land, some of which will be Assessable Real Property and some of which will be Exempt Acres. Based on the P.U.D Site Plan, DRI, SFWMD Water Management approval, and Developer/Landowner information received to date, it is anticipated that there will be 338.92 acres of land that will be Assessable Real Property that will be benefitted from the implementation and/or construction of the improvements authorized in the proposed Plan of Improvements. Land in the Unit that is not Assessable Real Property, such as land associated with public rights of way, open space, wetlands, wetland buffers, and preserves, will be Exempt Acres. It is expected that the Exempt Acres will not exceed 342.77 acres, but will in any case consist of any land in the Unit that is not Assessable Real Property.

The Amount of Determined Benefits to be received by the Assessable Real Property within the Unit, resulting from implementation of the Plan of Improvements, has been determined to be no less than \$104,949,363 overall (except as hereinafter provided with respect to "Contributions"). The Determined Benefits have been further broken down into \$78,828,378 resulting from Community Infrastructure improvements, and \$26,120,985 resulting from Parcel Infrastructure improvements.

The District Engineer has determined that the benefits received from implementation and/or construction of Community Infrastructure is separate and distinct from the benefits received by Parcels C, D, E, F, and G from implementation and/or construction of Parcel Infrastructure improvements. As such, this report will include two separate and distinct methodologies for establishment and apportionment of benefits.

COMMUNITY INFRASTRUCTURE BENEFITS

To establish a fair and equitable apportionment of the Amount of Determined Benefits to be incurred or derived as a result of the implementation and/or construction of the improvements authorized by the Plan for any portion of the Assessable Real Property in the Unit that is platted and based in part on the level of utilization of certain improvements, the District Engineer has determined that there are nine primary Land Use Classification Categories for the Assessable Real Property within the Unit.

Land Use Classification Categories:

- Biotech A
- Biotech B
- Office
- Hotel
- Commercial/Retail
- Apartment
- Townhome – Residential
- Single Family – Residential
- Utility

It is recommended that:

1. The assignment of a Land Use Classification to land shall be pursuant to a designation of such land on a plat.
2. Northern impose a condition, which should be a covenant running with the land

within the Unit, that no plat of any land within the Unit and no declaration of condominium with respect to any such land be effective or recorded in the public records except with the prior written consent of Northern, which written consent must be attached to or incorporated into the subject plat or declaration, as the case may be.

3. Except as provided below, each separately subdivided parcel of land may only bear one Land Use Classification designation. The designation of a Land Use Classification or undifferentiated blend thereof to a parcel of Assessable Real Property, once so designated, shall not be thereafter subject to change, even if such land is further platted or re-platted, except as herein provided in the case of the undifferentiated blend or with the prior written consent of Northern.
4. A plat may designate all (and not less than all) of a separately subdivided area of land as being within more than one Land Use Classification (for example, Biotech/Office), and all of the land so designated will be treated as a blend of the applicable Land Use Classifications. To effect this method of designation, the plat must (i) designate a specified area of land as being an "Undifferentiated" blend of the applicable Land Use Classifications and (ii) must specify the acreage of each Land Use Classification that comprises the blend, which acreages must equal the total acreage that is subject to the undifferentiated classification (for example, a plat could designate seventy-five acres of land as being "Undifferentiated Hotel (two acres)/ Office (forty acres)/Biotech (thirty-three acres)" but such seventy-five acres of land could not be designated as "Undifferentiated Hotel (two acres)/ Office (thirty acres)/Biotech (thirty-two acres)," because two plus thirty plus thirty-two is not seventy-five).

Subsequent to having been designated as an undifferentiated blend of Land Use Classifications, all (and not less than all) of a separately subdivided area of land may be re-designated (pursuant to a plat) to any single one of the Land Use Classifications included in the blend, and in any acreage not in excess of the acreage of such Land Use Classification originally included in the undifferentiated blend. Upon such designation, the land, if any, that remains subject to the undifferentiated blend will continue to receive the blended benefit but at adjusted acreage levels. For example, if seventy-five acres of land are initially designated as "Undifferentiated Hotel (two acres)/ Office (forty acres)/Biotech (thirty-three acres)," and twenty of those acres are subsequently designated as Office, the remaining fifty-five acres will continue to be treated as "Undifferentiated Hotel (two acres)/ Office (twenty acres)/Biotech (thirty-three acres)."

5. Northern should establish a contractual right, running with the land within the Unit, to require that any plat of land within the Unit designate all or any portion of the land that is subject to such plat as being in one of the nine Land Use Classifications or an undifferentiated blend thereof. All land should bear a designation to a Land Use Classification unless such land is Exempt Acres. Northern will not be able to directly designate land as being within a particular Land Use Classification, but Northern's consent to any plat should be required before it can be effective or recorded (including the Land Use Classification designation therein). Northern should also require that once all land in the Unit is designated by plat, at least 59.57 acres of land will have been designated as Biotech A, at least 32.50 acres of land will have been designated as Biotech B, at least 40.53 acres of land will have been designated as Office, at least 2.00 acres of land will have been designated as Hotel, at least 40.67 acres of land will have been designated as Commercial/Retail, at least 13.00 acres of land will have been designated as Apartment, at least 36.12 acres of

land will have been designated as Townhome-Residential, at least 230.20 acres of land will have been designated as Single Family-Residential and at least 5.00 acres will have been designated as Utility. Land that is included in an undifferentiated blend will be considered designated for purposes of the foregoing minimums at the acreage levels specified in the blended designation.

6. The Land Use Classifications for Assessable Real Property, as described in the preceding paragraphs are being used solely for the purposes of this Report and do not bind any landowner within the Unit as to the actual use of the land subject to such designation. The actual use of a designated parcel of Assessable Real Property will not change the Land Use Classification for said parcel.

The following factors were considered in determining the extent to which land designated to a Land Use Classification category would benefit from the implementation and construction of the Plan: (i) surface water runoff and the percent impervious surface area of each of the nine land uses, (ii) average daily on-site and off-site traffic trips generated by each of the nine land uses, (iii) acreage of land in each of the nine land uses, and (iv) water and sewer demand for each of the nine land uses.

Use of these Land Use Classifications results in the allocation of Determined Benefits for Community Infrastructure as indicated in Table 1 below.

TABLE 1

Land Use Classification	Amount of Determined Benefit	Minimum Area Designation (Acres)	Maximum Benefit Per Acre
Biotech A	\$14,006,977	59.57	235,134.75
Biotech B	8,290,901	32.50	255,104.63
Office	10,897,459	40.53	268,873.88
Hotel	1,491,554	2.00	745,776.99
Commercial/Retail	8,274,866	40.67	203,463.64
Apartment	3,248,575	13.00	249,890.37
Townhome - Residential	5,769,556	36.12	159,733.01
Single Family - Residential	26,506,830	230.20	115,146.96
Utility	341,660	5.00	68,332.05
Total	\$78,828,378	459.59	

Due to the present undeveloped status of the real property located within the Unit, the assessment of the Amount of Determined Benefits derived from the implementation and/or construction of Community Infrastructure improvements shall initially be allocated among all of the Assessable Real Property pro-rata, based upon hundredths of an acre, but once any portion of the land in the Unit is platted and designated with a Land Use Classification, the allocation of the assessment of the Amount of Determined Benefits for the land subject to that plat shall be adjusted as hereinafter set forth.

The Amount of Determined Benefit allocated to land that has been designated in a Land Use Classification shall be apportioned over such land pro-rata on the basis of area rounded to the nearest 1/100th of an acre. Until the minimum acres required to be designated by plat to a Land Use Classification have been designated, the Amount of Determined Benefit allocated to any land that has been designated will equal the area of such designated land (in acres, rounded to

the nearest 1/100th acre) multiplied by the Maximum Benefit per Acre set forth above. Once the minimum acres for a Land Use Classification have been designated, the Amount of Determined Benefit to such Land Use Classification will not increase, and the amount allocated to each acre of land within such Land Use Classification will equal the total Amount of Determined Benefit for such Land Use Classification as set forth above divided by the total number of acres (rounded to the nearest 1/100th acre) designated to such Land Use Classification.

Once the Amount of Determined Benefits attributable to land within each Land Use Classification designated by the applicable plat is computed, that Amount of Determined Benefit will be subtracted from the total Amount of Determined Benefit in Table 1, and the remaining Amount of Determined Benefits shall be allocated to the remaining un-platted Assessable Real Property, if any, and shall continue to be apportioned over the un-platted Assessable Real Property pro-rata on a hundredth of an acre basis until all land in the Unit is platted. The sum of the minimum acres required to be designated by plat to all Land Use Classifications is less than the total acreage of land within the Unit. Once the minimum acreage designations are achieved for each Land Use Classification, there may be land in the Unit that will have no Amount of Determined Benefits allocated to it, however, once all land in the Unit is platted, only land that is not designated to one of the nine Land Use Classifications, but which would be Exempt Acres if designated to a Land Use Classification, will have no benefits allocated thereto.

If platted land is subject to a declaration of condominium, the Amount of Determined Benefits attributable thereto is calculated in the same manner as for platted land not subject to a declaration of condominium. The Amount of Determined Benefits attributable to platted land subject to a declaration of condominium shall be (i) if so provided by the declaration of condominium, divided evenly among the number of condominium units subject to such declaration or (ii) if not so provided in the declaration, divided among such condominium units based upon the proportion of the square footage of each unit to the total square footage of all condominium units subject to such declaration of condominium, or (iii) with the written consent of the District, divided among the condominium units subject to such declaration in such other manner as provided in the declaration of condominium.

There may be a desire by the owners of the lands within the Unit to make payments (a "Contribution") to Northern in order to offset the cost of the Plan on a Land Use Classification area basis and reduce the amount of non-ad valorem assessments that Northern would otherwise levy upon the subject Land Use Classification area, based upon the Amount of Determined Benefit, in order to pay the cost of the improvements applicable thereto.

The Contribution may be directed to be used to reduce or pay specified estimated costs of designing and completing the Plan with respect to specified Land Use Classification areas.

If a Contribution is made, it would not be equitable to assess the specified Land Use Classification area for which the Contribution was made for the amount of the Contribution. Therefore, in the event that on or before the date of issuance of any series of bonds for this Unit, both (a) a Contribution is paid to Northern to pay a percentage of the estimated cost of designing and completing the Plan with respect to a particular Land Use Classification and (b) the contributor has entered into an agreement with Northern whereby the contributor obligates itself to pay the same percentage of the actual cost of designing and completing the Plan with respect to the same Land Use Classification, then the Amount of Determined Benefits to be received by such Land Use Classification will be reduced by an amount equal to the Contribution times the ratio of the Amount of Determined Benefits divided by the Estimated Cost of the Plan of Improvements. Any such reduction in the Amount of Determined Benefits will apply only for the purpose of determining the allocation of debt assessments, and shall not apply to Maintenance Assessments, which shall continue to be allocated and assessed in accordance herewith without regard to the Contribution. In the event of a reduction in the

Amount of Determined Benefit as herein provided, the Maximum Benefit per Acre will be reduced to the amount equal to the adjusted Amount of Determined Benefit divided by the corresponding Minimum Area Designation in Table 1, again, but only for purposes of the allocation of debt assessments.

PARCEL INFRASTRUCTURE BENEFITS

The District Engineer has determined that the benefits to be realized as a result of the implementation and/or construction of the Parcel Infrastructure improvements described in the Plan are specific to each category of Parcel Infrastructure (e.g. "Parcel C Infrastructure) and independent of benefits derived from other categories of Parcel Infrastructure. There are five categories of Parcel Infrastructure, being Parcels C, D, E, F and G.

It is recommended that:

1. The assignment of a Category of Parcel Infrastructure to land shall be pursuant to a designation of such land on a plat.
2. Northern impose a condition, which should be a covenant running with the land within the Unit, that no plat of any land within the Unit and no declaration of condominium with respect to any such land be effective or recorded in the public records except with the prior written consent of Northern, which written consent must be attached to or incorporated into the subject plat or declaration, as the case may be. Northern will not be able to directly designate land as being within a particular Category of Parcel Infrastructure, but Northern's consent to any plat is required before it can be effective or recorded (including the Category of Parcel Infrastructure designation therein).
3. Each separately subdivided parcel of land may only bear one Category of Parcel Infrastructure designation. Once a plat assigns a Category of Parcel Infrastructure designation to a parcel of land, that designation may not thereafter be changed even if such land is further platted or re-platted, except with the prior written consent of Northern.

Northern may permit a plat of land to designate land as being in one of two (not more than two) subcategories of a Category of Parcel Infrastructure (for example, Parcel G-1 and Parcel G-2). The relevance of a sub-category designation is discussed further below. If a plat designates sub-categories within a Category of Parcel Infrastructure, the Amount of Determined Benefit will be allocated pro-rata, on the basis of area, between the two sub-categories of affected land.

4. Northern should establish a contractual right, running with the land within the Unit, to require that any plat of land within the Unit designate all or any portion of the land that is subject to such plat as being in one of the Categories of Parcel Infrastructure. Northern will not be able to directly designate land as being within a particular Land Use Classification, but Northern's consent to any plat should be required before it can be effective or recorded (including the Category(ies) of Parcel Infrastructure designation(s) therein). Northern should also require that once all lands within the Unit are designated by plat, at least 57.00 acres of land will have been designated as Parcel C, at least 25.26 acres of land will have been designated as Parcel D, at least 43.00 acres of land will have been designated as Parcel E, at least 24.06 acres of land will have been designated as Parcel F, and at least 117.00 acres of land will have been designated as Parcel G.

Use of this apportionment methodology results in the allocation of Determined Benefits for Parcel Infrastructure as indicated in Table 2 below.

**TABLE 2
PARCEL INFRASTRUCTURE**

Category of Parcel Infrastructure	Amount of Determined Benefit	Taxing Unit Factor
Parcel C	\$ 5,782,858	0.16
Parcel D	2,349,942	0.22
Parcel E	3,993,492	0.22
Parcel F	3,540,353	0.09
Parcel G	10,454,340	0.25
Total	\$ 26,120,985	

Table 2 sets forth the Amount of Determined Benefit corresponding to each Category of Parcel Infrastructure. While Northern is obligated to complete the improvements described in the Plan, Northern may undertake the implementation of the Parcel Infrastructure improvements in phases. Therefore, it is just and desirable to provide a mechanism whereby the assessment and allocation of the Amount of Determined Benefit for Parcel Infrastructure may also become effective in phases, to the end that assessments imposed to pay the cost of the implementation of the Plan is borne by the benefitted property.

The Amount of Determined Benefit for a Category of Parcel Infrastructure shall remain inchoate and shall not affect the allocation of debt or maintenance assessments levied by Northern nor shall it support the issuance of debt by Northern until the Board of Supervisors has adopted a resolution (an "Activating Resolution") stating that such Amount of Determined Benefit, or any portion thereof, is being activated for purposes of this Report. The Activating Resolution must specify to which Category(ies) of Parcel Infrastructure it relates and the corresponding Amount(s) of Determined Benefit that is being activated. The Activating Resolution may relate to a subcategory of a Category of Parcel Infrastructure if such a subcategory exists as described above. Prior to the completion of the Parcel Infrastructure Improvements, Northern must activate all of the Amount of Determined Benefit for all Categories of Parcel Infrastructure.

The Amount of Determined Benefit for Parcel Infrastructure that has been activated will be allocated to the related land based upon "Taxing Units."

Each separately subdivided lot or parcel of land (a "Lot") within a Residential Parcel that is less than or equal to 0.50 acres in actual area, shall be deemed to be one "Taxing Unit". Each Lot within a Residential Parcel that is larger than 0.50 acres in actual area shall be deemed to be that number of Taxing Units obtained by dividing the actual area of such Lot by the Taxing Unit Factor associated with the category of Parcel Infrastructure listed in Table 2, and rounding the result up to the nearest whole number. The Amount of Determined Benefit allocable to a Lot within a Category (or subcategory) of Parcel Infrastructure will equal the number of Taxing Units assigned to such Lot divided by the total number of Taxing Units with respect to such Category (or subcategory) of Parcel Infrastructure multiplied by the Amount of Determined Benefit, or portion thereof, that has been activated with respect to such Category (or subcategory) of Parcel Infrastructure.

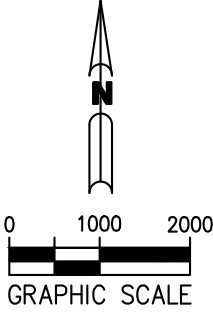
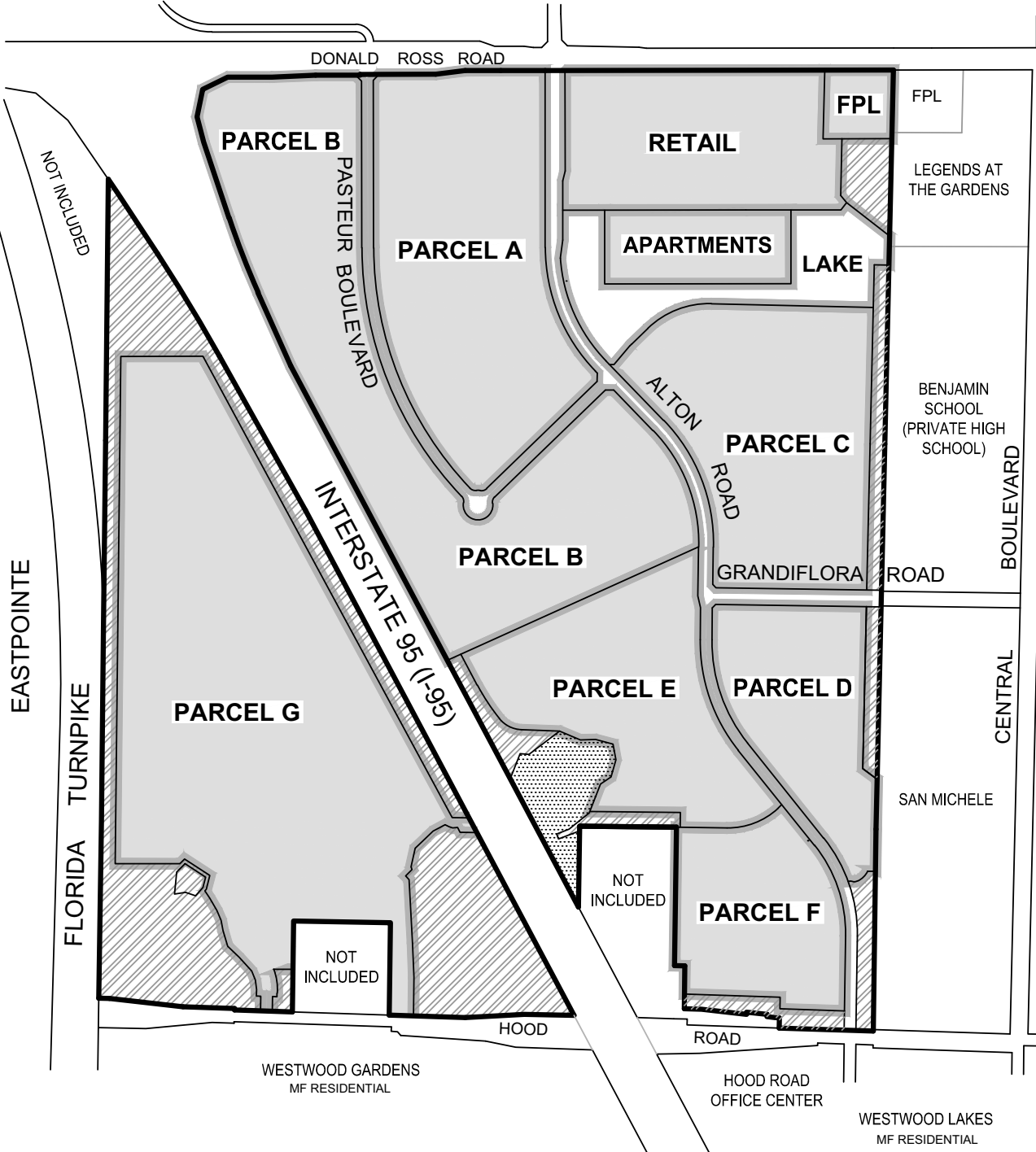
GENERAL

All non-ad valorem assessments imposed by Northern upon the Assessable Real Property in the Unit will be allocated and apportioned in accordance with the Amount of Determined Benefits designation procedures set forth in this Report. The percentage of the total debt and maintenance assessment borne by a particular area of land in a given tax year will be equal to the Amount of Determined Benefit (the sum of the Community Benefit and the activated Parcel Benefit) attributable to such area for such tax year divided by the total Amount of Determined Benefit (the sum of the Community Benefit and the activated Parcel Benefit) for the entire Unit for such tax year, subject to the variation between the allocation of debt and maintenance assessment described herein in the event a Contribution has been made.

Benefit's allocation changes as Assessable Real Property in the Unit is platted and as otherwise provided herein. However, such changes shall be effective for the purposes of Northern's assessments levied in a particular year based upon the data contained in the Unified Real Property Tax Roll of Palm Beach County as of January 1 of such (that is, changes in Land Use Classifications and changes due to new subdivisions of land by plat or other legal means that occur after January 1 of a year will not be taken into account in the levy of Northern's assessments in such year, and will only be taken into account in the following year).

For various reasons, the allocation of Determined Benefits set forth in this Report may require reallocation on occasion. A reallocation shall be calculated by the District Engineer in accordance with the methodology contained in this Report. The District Engineer shall submit a reallocation by means of signed and certified written Supplement to the Report, which shall be promptly filed with the District. Following the filing of a Supplement to the Report, the Supplement shall thereupon be submitted to the District's Board of Supervisors for their timely consideration with their decision to be set forth by Resolution.

Date/Time : Fri, 14 Feb 2014 - 11:43am Path Name : G:\Projects\UMR\WFO59000\Unit Projects\Unit 2C\2014 Report of Engineers\Parcel Designation Map_EXHIBIT E.dwg



PARCEL DESIGNATION MAP
 UNIT OF DEVELOPMENT NO. 2C
 PALM BEACH GARDENS, FLORIDA

EXHIBIT E

ARCADIS U.S., Inc.
 2081 Vista Parkway, West Palm Beach, Florida 33411
 Tel: (561) 697-7000 Fax: (561) 697-7751
 www.arcadis-us.com

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Northern Palm Beach County Improvement District



Annual Financial Report
Fiscal Year Ended
September 30, 2013

**NORTHERN PALM BEACH COUNTY
IMPROVEMENT DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Principal District Officials	i
Units of Development – September 30, 2013	ii
FINANCIAL SECTION	
Independent Auditors’ Report	1-3
Management’s Discussion and Analysis	4-15
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	21
Notes to Basic Financial Statements	22-44
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule – General Fund	45
Note to Budgetary Comparison Schedule	46
SUPPLEMENTARY INFORMATION:	
COMBINING NONMAJOR FINANCIAL STATEMENTS:	
Combining Balance Sheet – Nonmajor Governmental Funds	47
Combining - Nonmajor Special Revenue Funds	48-51
Combining - Nonmajor Debt Service Funds	52-53
Combining - Nonmajor Capital Projects Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	55
Combining Nonmajor Special Revenue Funds	56-59
Combining Nonmajor Debt Service Funds	60-61
Combining Nonmajor Capital Projects Funds	62
OTHER SUPPLEMENTARY FINANCIAL DATA AND SCHEDULES:	
Combined Schedule of Bonds Payable	63
Individual Schedule of Bonds Payable	
Exhibit A-1 to A-22	64-85

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

TABLE OF CONTENTS

(Continued)

REPORTING SECTION	<u>PAGE</u>
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 <i>Government Auditing Standards</i>	86-87
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	88-89

INTRODUCTORY SECTION

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

PRINCIPAL DISTRICT OFFICIALS

SEPTEMBER 30, 2013

Board of Supervisors

Adrian M. Salee, CMC	President
Matthew J. Boykin, CPA	Vice President
Garro Artinian	Supervisor
L. Marc Cohn	Supervisor
John Cohen	Supervisor

Counsel to the District

Caldwell Pacetti Edwards Schoech & Viator LLP
West Palm Beach, Florida

District Engineer

Arcadis US, Inc.
West Palm Beach, Florida

Executive Director

O'Neal Bardin, Jr.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

UNITS OF DEVELOPMENT – SEPTEMBER 30, 2013

UNIT 1	-	Gramercy Park (Cypress Run)	UNIT 20	-	Juno Isles
UNIT 2	-	Frenchman's Creek			20A - 20B - 20C - 20D
UNIT 2A	-	MacArthur Overlay	UNIT 21	-	Old Marsh
UNIT 2B	-	Dissolved 6/23/04	UNIT 22	-	Inactive (Western Business Park)
UNIT 2C	-	Scripps II/Briger	UNIT 23	-	The Shores
UNIT 3	-	Horseshoe Acres/Square Lake	UNIT 24	-	Ironhorse
UNIT 3A	-	Woodbine	UNIT 24A	-	Dissolved 12/19/12
UNIT 4	-	West of Villages of Palm Beach Lakes	UNIT 25	-	Moroso Industrial Park
UNIT 5	-	Henry Rolf	UNIT 26	-	Eastpointe Lake Sealing Project
UNIT 5A	-	Vista Center of Palm Beach	UNIT 27	-	Jupiter High Tech Park
UNIT 5B	-	Baywinds	UNIT 27A	-	Inactive
UNIT 5C	-	RiverWalk	UNIT 27B	-	Botanica
UNIT 5D	-	Andros Isle	UNIT 28	-	Water Resource Program
UNIT 5E	-	Dissolved 9/28/01	UNIT 29	-	North Fork Development
UNIT 5F	-	Dissolved 5/27/98	UNIT 30	-	Moroso Motorsports
UNIT 6	-	Dissolved 5/27/98	UNIT 31	-	BallenIsles Country Club
UNIT 6A	-	Dissolved 12/21/94	UNIT 32	-	Palm Cove
UNIT 7	-	Dyer Boulevard	UNIT 32A	-	Palm Cove Sub-Unit
UNIT 7A	-	North County PUD	UNIT 33	-	Cypress Cove
UNIT 8	-	Inactive	UNIT 34	-	Hidden Key
UNIT 8A	-	Vavrus Ranch Sub-Unit	UNIT 35	-	(not created as yet)
UNIT 9	-	Admirals Cove West	UNIT 36	-	Dissolved 11/16/11
UNIT 9A	-	Abacoa I	UNIT 37	-	Dissolved 10/27/99
UNIT 9B	-	Abacoa II	UNIT 38	-	Harbour Isles
UNIT 10	-	Caloosa	UNIT 39	-	Mariner's Key
UNIT 11	-	PGA National	UNIT 40	-	Prosperity Bay Village
UNIT 11A	-	Dissolved 2/22/12	UNIT 41	-	Mystic Cove
UNIT 12	-	Highland Pines	UNIT 42	-	Inactive (Blue Green Enterprises)
UNIT 12A	-	Gardens Hunt Club Sub-Unit	UNIT 43	-	Mirasol
UNIT 13	-	Mecca Farms	UNIT 44	-	The Bear's Club
UNIT 14	-	Eastpointe	UNIT 45	-	Paseos
		14A - 14B	UNIT 46	-	Jupiter Country Club
UNIT 15	-	Villages of Palm Beach Lakes	UNIT 47	-	Jupiter Isles
UNIT 16	-	First Park of South Florida (f.k.a. Palm Beach Park of Commerce)	UNIT 47A	-	Dissolved 9/24/03
UNIT 16A	-	PB Park of Commerce	UNIT 48	-	Dissolved 9/28/05
		Water & /Sewer Sub-Unit	UNIT 49	-	Northern Palm Beach County Business Park
UNIT 17	-	Dissolved 3/26/03	UNIT 50	-	Balsamo
UNIT 18	-	Ibis Golf & Country Club	UNIT 51	-	Frenchman's Harbor
UNIT 19	-	Regional Center	UNIT 52	-	Dissolved 2/28/07
UNIT 19A	-	Irrigation	UNIT 53	-	Highland Dunes

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

Board of Supervisors and the Executive Director
Northern Palm Beach County Improvement District
Palm Beach Gardens, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Palm Beach County Improvement District (District), as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Palm Beach County Improvement District, as of September 30, 2013, and the respective changes in financial position, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of October 1, 2012. As further described in Note 12, the implementation of GASB Statement No. 65 resulted in a prior period adjustment. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule on pages 4 through 15 and 45 through 46 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northern Palm Beach County Improvement District's basic financial statements. The combining nonmajor fund financial statements and other supplementary

financial data and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and other supplementary financial data and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and other supplementary financial data and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2014 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 grant agreements 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* in considering Northern Palm Beach County Improvement District's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, Florida
February 28, 2014

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Northern Palm Beach County Improvement District would like to offer the readers of the District's financial statements this discussion and analysis of the District's financial activities during the fiscal year that ended on September 30, 2013. We encourage readers to consider the information presented in this discussion and analysis in conjunction with the District's financial statements, which follow this section.

FINANCIAL AND DISTRICT HIGHLIGHTS

Financial Highlights

- Net position at the end of the year was approximately \$173,524,000. Of this amount, approximately \$12,843,000 (unrestricted net position) may be used to meet the District's ongoing operations.
- Total net position of the District decreased by approximately \$4,685,000 at September 30, 2013.
 - Net investment in capital assets increased by approximately \$6,215,000. This was mainly due to paying down the existing debt used to finance capital assets.
 - Net position restricted for debt service decreased by approximately \$12,560,000 due to principal payments on outstanding bonds decreasing debt outstanding and the associated deferred revenue.
 - Unrestricted net position increased by approximately \$1,660,000 this year mainly due to the accumulation of funds in various special revenue funds for upcoming large projects in the District's Five Year Capital Improvement Plan.
- The District's total revenues (on an accrual basis) were approximately \$17,509,000 for the year ended September 30, 2013. This is a decrease of approximately \$4,968,000 or 22% from the prior year and is primarily due to an increased amount of deferred revenues that offset current year assessments. The amount of deferred revenues used to offset current year assessments correlates to the reduction in total debt outstanding for the year. Since the reduction in total debt for fiscal year ended September 30, 2013 was approximately \$5 million higher than the reduction in total debt for fiscal year ended September 30, 2012, the amount of deferred revenues used to offset current assessments increased by approximately \$5 million. The accelerated reduction in debt relates to the fact that no new debt was issued during fiscal year ended September 30, 2013 other than bond refundings which helped reduce the total amount of debt outstanding. Current year assessments were approximately \$690,000 higher than last year, mostly because of a one-time assessment to landowners of Unit 2C for a lump sum repayment on a \$1.2 million loan due August 1, 2013, which had been used to fund the front end costs of developing the unit. Operating grants and contributions decreased by approximately \$645,000 or 91% mainly because impact fee receipts were not received from Palm Beach County during the current year due as a result of stalled development combined with the reduced balance of impact fees receivable from the County.
- Total expenses for all of the District's activities were approximately \$22,200,000 for the year. This is an increase of approximately 5% from the previous year. Physical environment expenses increased 7% this year due to the large pump station replacement projects during the current year in Units of Development 11 and 14. There was also an increase in the loss on disposal of capital assets as a result of removing the cost of the old pump stations from inventory and replacing them with the cost of the renovated pump stations. Interest on long-term debt decreased as a result of the scheduled pay down of principal amounts on debt as well as savings achieved from the bond refundings during the current year in Units 2A, 9A, and 16.
- Unit of Development No. 2C- Briger Tract continued with the pre-development and governmental approval process. The plan for this unit will be to build Scripps Phase II, a mixed use community focused on biotechnology and bioscience research industries. The Plan of Improvement and Report of Engineer are currently under development.

- The Local Government Investment Pool (“State Pool”) run by the State Board of Administration (“SBA”) disclosed that they were invested in downgraded or credit-stressed securities in the latter part of 2008. The State Pool experienced significant withdrawals as a result as investors were unsure of the liquidity of the State Pool. The District withdrew its entire allowable balance of approximately \$8.6 million in December 2008, paying a 2% penalty of approximately \$133,000. Effective, January 23, 2009, the District’s investment policy was modified to prohibit additional local government investment pool investments without Board direction and approval. The District has made withdrawals from the State Pool to the full extent as balances become available. The District’s balance in the Pool was approximately \$87,000 with a fair value of approximately \$96,000 at September 30, 2013.
- During the year ended September 30, 2013, the District refunded four bond issues, affecting Units of Development No. 2A, 9A, and 16. These refundings resulted in total cash flow savings of approximately \$7,368,000 and an economic gain of approximately \$5,658,000. Further details can be found in Note 5 of the Notes to the Financial Statements.
- The District expended approximately \$3,771,000 on capital projects during the year, mainly in Units of Development No. 11, and 14. This is an approximate 50% increase from the prior year, and is attributable to the pump station replacement projects in Units 11 and 14. The bulk of construction for both the Unit 14 pump station and the Unit 11 south pump station replacement was completed in fiscal year ended September 30, 2013. The Unit 11 north pump station replacement was designed in fiscal year ended September 30, 2013, but construction was just beginning at year end.
- GASB (Governmental Accounting Standards Board) issued Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in June 2004. Northern is required to report the cost of benefits to retired employees during the time of their employment and how those benefits will be funded. Northern hired an actuary to compute the expense and accrued liability to date for those benefits. The State requires local governments to provide health care insurance to all retirees either funded by the government or by the retiree at the rate that all remaining employees are charged. The rate charged by insurance companies is blended rather than tiered by age. Thus, a retired employee is charged the same rate as a younger employee creating an implicit benefit. This benefit should be expensed, if material, and disclosed in the financial statement. At September 30, 2013, Northern employed 17 people and had no retirees on the health insurance plan. The actuarially determined annual required contribution and expense under GASB 45 was \$1,000. The actuarial accrued liability to date is \$11,000. Since these amounts are not material, the District will not record them in the financial statement or the notes.
- The District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in a prior fiscal year. This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the District to classify and report amounts in the appropriate fund balance classifications. The District’s accounting policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of non-spendable, restricted, committed, assigned or unassigned. This Statement applies only to the fund financial statements.
- During fiscal year ended September 30, 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result, we wrote off the unamortized bond issuance costs for governmental activities at the government-wide level, by adjusting all periods affected. In addition, there are numerous terminology changes throughout the financial section of this report. These classification changes do not require a prior period adjustment.

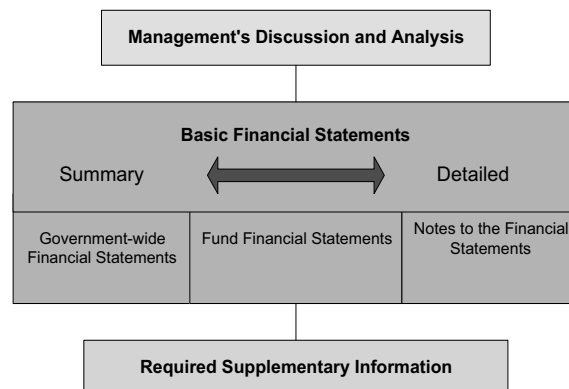
USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to Northern Palm Beach County Improvement District's basic financial statements. The District's basic financial statements provide information on both the District as a whole (government-wide) and on the individual major funds. The District's annual report consists of *three sections: the introductory section, the financial section* which includes management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents the combining statements for nonmajor governmental funds and other financial data and schedules and *the compliance section*. The basic financial statements themselves consist of three components: government-wide financial statements, fund financial statements and notes to the financial statements. These statements present different views of the District:

- The first two statements are **government-wide financial statements** that provide both long-term and short-term information about the District's *overall* financial status. This statement format combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets (including infrastructure) and long-term obligations.
- The **fund financial statements** focus on individual parts of the District, reporting the District's operations in *more detail* than the government-wide statements. This is the manner in which the budget is typically developed. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses of liquid resources.
- The financial statements also include **notes** that explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the basic financial statements are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1
Required Components of Northern Palm Beach County Improvement District's Basic Financial Statements



Government-wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the District is improving or deteriorating. The District's policy is to construct capital improvements for landowners and as they are completed, donate some of those improvements to other governments as a part of a Unit of Development's Plan of Improvement. As a result, the District's net position may have significant swings due solely to the amount of capital assets donated during a fiscal year. Other non-financial factors should be considered as well, such as the condition of the District's capital assets (canals, roads, pump stations, etc.) to assess the overall health of the District.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position 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 16-17 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, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The District's funds are all categorized as governmental funds.

The District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a short-term view of the District's operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences between government-wide activities (reported in the statement of net position and the statement of activities) and governmental funds are reconciled on separate schedules.

The District's governmental funds are further divided into three fund types: special revenue funds, debt service funds and capital project funds.

Special revenue funds generally account for the maintenance activities in the various Units of Development. Restricted revenues mainly come from special assessments, interest earnings and loan proceeds. Expenditures are for maintenance activities in established Units of Development. These expenditures are typically for canal and lake maintenance, mowing, chemical weed control, road maintenance and repair projects.

Debt service funds account for the debt service for bonds and loans of the District. Generally the debt accounted for in these funds is from larger capital projects. Revenues are from special assessments, new or refunded debt and interest earnings. Expenditures are for debt service, trustee fees and refunding costs.

Capital project funds account for the larger construction projects in various Units of Development. These projects typically span multiple years and run concurrent with a Unit of Development's Plan of Improvement. Revenues are from debt issuance or landowner contributions and interest earnings. Expenditures are for capital outlay.

The District maintains 73 individual governmental funds: 45 special revenue funds, 19 debt service funds, 8 capital project funds and the general fund. Some funds are required by State law, however, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting its legal responsibilities for using certain taxes and other money. The fund financial statements provide detailed information about *the most significant funds* (major funds), not the District as a whole. Accordingly, three major funds, in addition to the general fund, are reported individually in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances. The remaining governmental funds (non-major funds) are reported in these statements as a combined total.

The Fund Financial Statements can be found on pages 18 - 21 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Notes to the financial statements can be found on pages 22 – 44 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also includes required supplementary information, combining financial statements and schedules, as well as other supplementary financial data and schedules which can be found on pages 45 through 85 of this report.

Capital Assets

Infrastructure Assets

Historically, a government's largest group of assets, infrastructure, (roads, water control structures, surface water management systems, etc.) have not been reported nor depreciated in governmental fund financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the governmental activities column of the government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over the estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The District has elected to implement the depreciation method.

Intangible Assets

GASB Statement No. 51 *Accounting and Financial Reporting for Intangible Assets* was effective for fiscal year ended September 30, 2010. Northern is required to track and capitalize the cost of intangible assets including software and easements. The cost of software has always been captured in machinery and equipment when purchased. Easements are not required to be retroactively reported. Northern obtains easements over property for various reasons ranging from road right-of-ways to access easements to cross property to maintain our assets, to flowage easements to move stormwater across lakes. The most frequent easement obtained by Northern is an access easement to maintain District assets. The value that is assigned to the right (easement) is the fair value based on the average cost per acre of surrounding property. Northern has established that the threshold for capitalizing the cost of the easement on the financial statements is \$50,000. No easements met the threshold for fiscal year ended September 30, 2013.

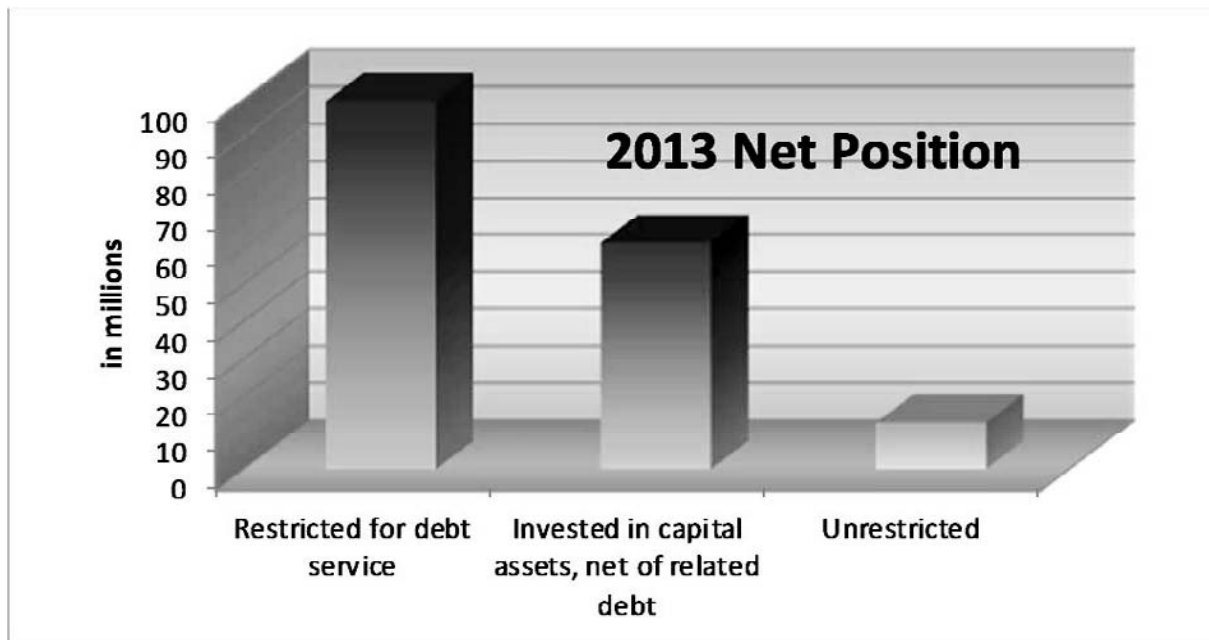
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position decreased by 2.6% and was \$173,524,430 and \$178,209,141 in 2013 and 2012 respectively. Assets decreased by 5.3% in part due the reduction in assessments receivable as a result of collections that are used for scheduled debt service payments on outstanding debt reducing the amount of debt outstanding and the corresponding assessments receivable to pay off that debt. Capital assets decreased by approximately 2% mainly due to depreciation expense charged that exceeded the cost of the new construction. Liabilities decreased by 7.8% due to a decrease in long-term debt due to scheduled debt service payments and debt refundings.

The largest portion of the District's net position (\$99,500,494 or 57%) represents net position restricted for debt service. An additional portion of the District's net position (\$61,180,490 or 35%) represents investment in capital assets (infrastructure, buildings, machinery and equipment, etc.) less any related outstanding debt and deferred outflows of resources used to acquire or construct those assets. The District uses capital assets to provide services to its residents; accordingly, these assets are not available for future spending. The remaining unrestricted net position (\$12,843,446) may be used to meet the District's ongoing operations.

The following chart highlights the components of net position as of September 30, 2013:



The following table highlights the net position as of September 30, 2013 and September 30, 2012:

	<u>2013</u>	<u>2012</u>	<u>Difference</u>	<u>%</u>
ASSETS				
Cash and cash equivalents	24,616,523	31,183,214	(6,566,691)	-21.1%
Investments	11,604,419	7,255,117	4,349,302	59.9%
Receivables	138,728,766	150,812,445	(12,083,679)	-8.0%
Prepaid items	136,092	17,238	118,854	689.5%
Capital assets not being depreciated	41,228,656	41,356,863	(128,207)	-0.3%
Capital assets being depreciated, net	88,659,924	91,385,343	(2,725,419)	-3.0%
Total assets	304,974,380	322,010,220	(17,035,840)	-5.3%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	10,112,236	9,798,437	313,799	3.2%
LIABILITIES				
Accounts payable	918,021	652,949	265,072	40.6%
Contracts and retainage payable	237,410	441,312	(203,902)	-46.2%
Accrued bond interest payable	1,062,822	1,260,062	(197,240)	-15.7%
Unearned revenue	48,839	52,799	(3,960)	-7.5%
Long-term debt:				
Due within one year:	12,120,953	12,710,859	(589,906)	-4.6%
Due in more than one year:	127,174,141	138,481,535	(11,307,394)	-8.2%
Total liabilities	141,562,186	153,599,516	(12,037,330)	-7.8%
NET POSITION				
Net investment in capital assets	61,180,490	54,965,579	6,214,911	11.3%
Restricted for debt service	99,500,494	112,060,221	(12,559,727)	-11.2%
Unrestricted	12,843,446	11,183,341	1,660,105	14.8%
Total net position	173,524,430	178,209,141	(4,684,711)	-2.6%

Changes in Net Position

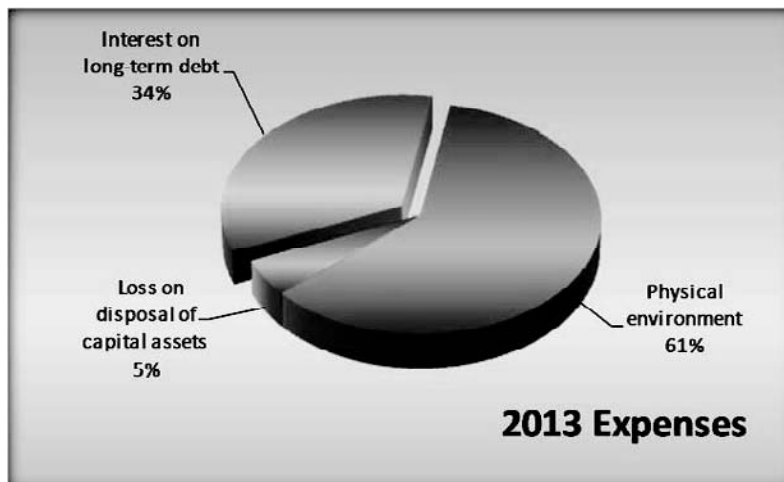
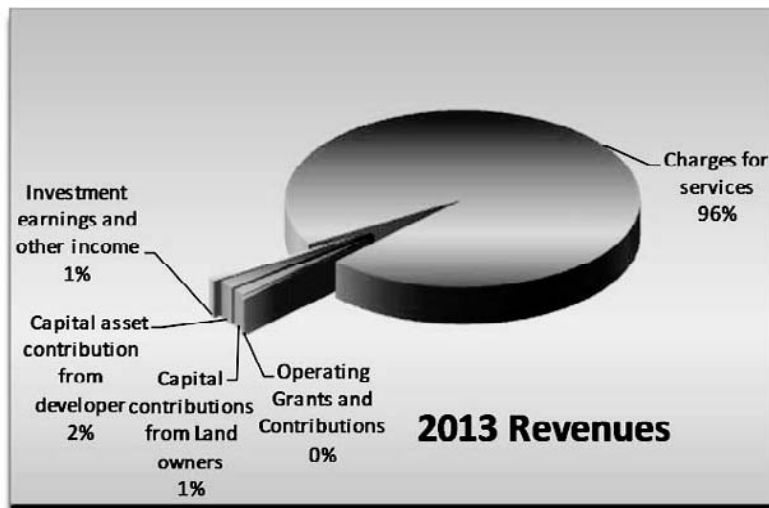
The following table highlights the changes in net position for the years ended September 30, 2013 and September 30, 2012:

	<u>2013</u>	<u>2012</u>	<u>Percentage Change</u>
Revenues:			
Program revenues			
Charges for services	\$ 16,814,145	\$ 21,127,204	-20%
Capital contributions from Land Owners	215,446	74,055	191%
Operating Grants and Contributions	66,379	711,790	-91%
General revenues			
Investment earnings	138,001	200,216	-31%
Capital asset contribution from developer	274,775	363,167	-24%
Total revenues	\$ 17,508,746	\$ 22,476,432	-22%
Program expenses:			
Physical environment	13,456,539	12,536,390	7%
Interest on long-term debt	7,599,252	8,686,433	-13%
Loss on disposal of capital assets	1,137,666	6,031	-
Total expenses	22,193,457	21,228,854	5%
Change in net position	(4,684,711)	1,247,578	-476%
Net position, beginning of year, as restated	178,209,141	176,961,563	1%
Net position, end of year	\$ 173,524,430	\$ 178,209,141	-3%

The District's total revenues (including general revenues) decreased by approximately \$4,968,000 or 22% from 2013 to 2012. The main component of the decrease was in charges for services. Assessments received when debt is issued are recorded as a liability and amortized over the life of the debt. This amount is offset against current year revenues and is reduced over time as the debt matures. Since the reduction in total debt for fiscal year ended September 30, 2013 was approximately \$5 million higher than the reduction in total debt for fiscal year ended September 30, 2012, the amount of unavailable revenues used to offset current assessments increased by approximately \$5 million. The accelerated reduction in debt relates to the fact that no new debt was issued during fiscal year ended September 30, 2013 other than bond refundings which helped reduce the total amount of debt outstanding. Operating grants and contributions decreased by approximately \$645,000 or 91%. Impact fees were received in the prior year from the Palm Beach County that were not repeated this year.

Total expenses increased by approximately \$965,000 or 5% from 2013 to 2012. Maintenance or physical environment expenses increased by approximately \$920,000 mainly due to the replacement of pump stations in Units 11 and 14 during 2013. Interest on long term debt decreased by approximately \$1,087,000 due to overall reduction in principal outstanding. Loss on disposal of capital assets increased by \$1,132,000 due to the write off of the old pump stations which were replaced with renovated pump stations in Units 11 and 14.

The following graphs present the revenues and expenses for the fiscal year:



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, Northern Palm Beach County Improvement District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements as well as control and manage resources for specific purposes. The following is a discussion of the major funds of the District for fiscal year ended September 30, 2013 compared to the fiscal year ended September 30, 2012.

The general fund is the primary fund for tracking administrative and operation costs associated with the daily management of the District. Unassigned fund balance in the general fund was approximately \$600,000 at September 30, 2013. This was an increase of approximately \$45,000 from the prior year mainly due to actual expenses less than budgeted in legal and engineering expenses, building repairs, as well as savings in auditor's services due to efficiency and the contingency for single audit not being required this year.

The debt service fund for Unit of Development No. 9A had an approximate \$200,000 increase in fund balance during this fiscal year due to the refunding of bonds resulting in a new reserve fund. The debt service fund for Unit of Development 9B had an approximate \$176,000 decrease in fund balance due to impact fee money received from the County that is being amortized over several years to reduce the debt assessment. The debt service fund for Unit of Development No. 18 no longer met the requirements to classify it as a major fund. It had been reported as a major fund in the prior year because its total expenditures exceeded 10% of total governmental funds, but no longer meets this criterion because the total for governmental funds increased. The debt service fund for Unit of Development No. 43 had a decrease of approximately \$25,000 in fund balance during the year. The decrease was mainly due to planned use of excess fund balance to offset assessment revenue.

BUDGETARY HIGHLIGHTS

The District adopted the fiscal year 2012/2013 budget on August 22, 2012. There were no budget amendments made to the budget. Total expenditures budgeted in the general fund for the fiscal year ended September 30, 2013 were approximately \$3,367,000. Total assessment revenue budgeted for the General Fund was approximately \$421,000. The remaining funds were planned to come from operating transfers from other funds.

As presented in the Budgetary Comparison Schedule, total revenue budgeted for the general fund was approximately \$3,367,000 including transfers in. "Transfers in" reimburse the general fund for expenditures incurred within the general fund. Actual revenue was approximately \$16,000 more than budgeted revenue due to savings in the general fund expenditures which required less funds transferred in from other funds.

Total budgeted expenditures in the general fund were approximately \$3,367,000. Actual expenditures were approximately \$148,000 less than budgeted due to actual expenses less than budgeted in legal and engineering expenses, building repairs, as well as in auditor's services due to efficiency and the contingency for single audit not being required this year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the beginning of the fiscal year ended September 30, 2013, the District had \$132,742,206, net of accumulated depreciation, invested in a broad range of capital assets, including land, surface water management systems, roadway improvements, etc. A net decrease of \$2,853,626 decreased the total to

\$129,888,580, net of accumulated depreciation, by the end of the fiscal year. The components of the change in capital assets included \$4,045,357 of construction completed or new machinery added during this fiscal year and \$1,185,963 of capital assets disposed of. Depreciation expense was \$5,713,020.

The more significant changes to capital assets included the following:

- Unit of Development No. 2C- Development of a Plan of Improvements in the amount of \$167,737.
- Unit of Development No. 9B- Additional dry detention areas created by the developer were donated to Northern in the amount of \$134,677.
- Unit of Development No. 11- Construction of south pump station renovation in the amount of \$1,285,505 as well as the design of the north pump station renovation in the amount of \$288,231.
- Unit of Development No. 14- Construction of the pump station renovation in the amount of \$1,256,536.
- Unit of Development No. 45- Donation of lakes by developer in the amount of \$140,100.

The following table summarizes the District's capital assets, net of accumulated depreciation, for the year ended September 30, 2013 and September 30, 2012:

	<u>2013</u>	<u>2012</u>
Land	\$ 20,145,321	\$ 20,146,960
Lakes and canal improvements	11,068,124	9,637,137
Preserve improvements	8,985,296	8,850,619
Construction in progress	1,029,915	2,722,147
Buildings and improvements	4,123,603	4,452,668
Parks and facilities	5,054,650	5,535,398
Machinery and equipment	694,034	756,904
Roadway improvements	27,077,813	29,378,770
Storm water pump stations	4,668,671	2,895,036
Surface water management system	36,978,059	37,926,279
Water control structures	8,671,150	8,908,544
Water, sewer and irrigation facilities	1,391,944	1,531,744
Total Capital Assets	\$ 129,888,580	\$ 132,742,206

Additional information on the District's capital assets can be found in Note 3 on page 34 of this report.

Debt

- At September 30, 2013 the District had a total of \$138,865,777 in bonds and notes outstanding, net of bond premiums and discounts. During the year ended September 30, 2013, the District refunded four bond issues, affecting Units of Development No. 2A, 9A, and 16. These refundings resulted in total cash flow savings of approximately \$7,368,000 and an economic gain of approximately \$5,658,000. Further details can be found in Note 5 of the Notes to the Financial Statements.

The following table presents the District's total outstanding debt for the fiscal year ended September 30, 2013 and September 30, 2012:

	<u>2013</u>	<u>2012</u>
Limited obligation bonds, net	\$ 134,193,894	\$ 134,051,742
Notes payable	<u>4,671,883</u>	<u>6,946,463</u>
Total bonds and notes payable	<u>\$ 138,865,777</u>	<u>\$ 140,998,205</u>

Additional information on the District's long-term debt can be found in Note 4 on pages 35-41 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following highlights were considered in creating the 2013/2014 budget:

- Unit of Development No. 1- Canal maintenance and washout repairs.
- Unit of Development No. 3- Canal maintenance and washout repairs.
- Unit of Development No. 3A- Catch basin inspections, installation of a new aerator as well as culvert cleaning and repairs.
- Unit of Development No. 4- Canal maintenance and washout repairs-exotic tree/brush removal as well as installation of three new aerators.
- Unit of Development No. 5- Canal maintenance and washout repairs-exotic tree/brush removal.
- Unit of Development No. 5A- Catch basin cleaning and inspections, road and sidewalk repairs, culvert cleaning and repairs, as well as roads/bridges – sidewalk installation.
- Unit of Development No. 9A and 9B- Installation of two new aerators as well as repair and replacement of signs, fences and structures in greenways.
- Unit of Development No. 11- Roadway repair and maintenance, catch basin cleaning and inspections, installation of a new aerator as well as removal of sections of asphalt sidewalk and replacement with concrete. In addition, the construction of the north pump station.
- Unit of Development No. 12- Canal maintenance and washout repairs.
- Unit of Development No. 14- Completion of pump station renovations and installation of one aerator
- Unit of Development No. 15- Canal maintenance and washout repairs and installation of one new aerator.
- Unit of Development No. 16- Engineering design for weir replacements, canal maintenance and washout repairs, catch basin cleaning and inspections, culvert cleaning and repairs, road and sidewalk repairs, as well as internal road overlay/repairs.
- Unit of Development No. 18- Engineering services to design the mill and road overlay, catch basins cleaning and inspections, road and sidewalk repairs, servicing pump and generators at pump station, as well as installation of one aerator.
- Unit of Development No. 19A- Potential irrigation controller replacement.
- Unit of Development No. 20- Engineering for weir evaluation.
- Unit of Development No. 31- Catch basin cleaning and inspections, culvert cleaning and repairs, installation of four new aerators as well as miscellaneous road and sidewalk repairs.

- Unit of Development No. 34- Catch basin cleaning and inspections, and road repairs.
- Unit of Development No. 38- Catch basin cleaning and inspections.
- Unit of Development No. 43- Servicing pumps and generator at pump stations, and canal maintenance and washout repairs.
- Unit of Development No. 45- Road and sidewalk repairs, as well as catch basin cleaning and inspections.
- Unit of Development -Operations- Vehicle replacements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Executive Director, O'Neal Bardin, Jr., 359 Hiatt Drive, Palm Beach Gardens, Florida 33418.

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BASIC FINANCIAL STATEMENTS

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NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION

SEPTEMBER 30, 2013

<u>ASSETS</u>	
Cash and cash equivalents	\$ 24,616,523
Investments	11,604,419
Receivables	138,728,766
Prepaid items	136,092
Capital assets not being depreciated	41,228,656
Capital assets being depreciated, net	<u>88,659,924</u>
Total assets	<u>304,974,380</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred amount on refunding	<u>10,112,236</u>
 <u>LIABILITIES</u>	
Accounts payable	918,021
Contracts and retainage payable	237,410
Accrued bond interest payable	1,062,822
Unearned revenue	48,839
Long-term obligations:	
Due within one year	12,120,953
Due in more than one year	<u>127,174,141</u>
Total liabilities	<u>141,562,186</u>
 <u>NET POSITION</u>	
Net investment in capital assets	61,480,490
Restricted for debt service	99,500,494
Unrestricted	<u>12,843,446</u>
Total net position	<u>\$ 173,524,430</u>

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Contributions from Land Owners</u>	
Governmental activities:					
Physical environment	\$ 13,456,539	\$ 16,814,145	\$ 66,379	\$ 215,446	\$ 3,639,431
Interest on long-term debt	<u>7,599,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,599,252)</u>
Total governmental activities	<u>\$ 21,055,791</u>	<u>\$ 16,814,145</u>	<u>\$ 66,379</u>	<u>\$ 215,446</u>	<u>(3,959,821)</u>
General revenues:					
Unrestricted investment earnings					138,001
Loss on disposal of capital assets					(1,137,666)
Capital asset contribution from developer					<u>274,775</u>
Total general revenues					<u>(724,890)</u>
Change in net position					(4,684,711)
Net position, beginning of year, as restated (see note 12)					<u>178,209,141</u>
Net position, end of year					<u>\$ 173,524,430</u>

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

	Major Funds					
		Debt	Debt	Debt	Nonmajor	Total
	<u>General</u>	Service <u>9A</u>	Service <u>9B</u>	Service <u>43</u>	Governmental <u>Funds</u>	Governmental <u>Funds</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 674,720	\$ 1,054,319	\$ 2,079,965	\$ 469,681	\$ 20,337,838	\$ 24,616,523
Investments	7,163	370	1,820,022	1,296,518	8,480,346	11,604,419
Receivables:						
Assessments	830,457	32,064,999	19,825,000	18,348,756	67,429,003	138,498,215
Interest	-	-	6,593	4,742	17,716	29,051
Accounts	3,921	18,084	9,672	9,092	160,731	201,500
Prepaid items	21,004	-	-	-	13,536	34,540
Total assets	<u>\$ 1,537,265</u>	<u>\$ 33,137,772</u>	<u>\$ 23,741,252</u>	<u>\$ 20,128,789</u>	<u>\$ 96,439,170</u>	<u>\$ 174,984,248</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 88,078	\$ 2,784	\$ 1,531	\$ 1,164	\$ 824,464	\$ 918,021
Contracts and retainage payable	-	-	-	-	237,410	237,410
Unearned revenue	-	-	-	-	48,839	48,839
Total liabilities	<u>88,078</u>	<u>2,784</u>	<u>1,531</u>	<u>1,164</u>	<u>1,110,713</u>	<u>1,204,270</u>
Deferred inflows of resources:						
Unavailable revenue - special assessments	830,457	32,064,999	19,825,000	18,348,756	67,429,003	138,498,215
Total liabilities and deferred inflows of resources	<u>918,535</u>	<u>32,067,783</u>	<u>19,826,531</u>	<u>18,349,920</u>	<u>68,539,716</u>	<u>139,702,485</u>
Fund balances:						
Non-spendable	21,004	-	-	-	13,536	34,540
Restricted	-	1,069,989	3,914,721	1,778,869	15,346,973	22,110,552
Committed	-	-	-	-	12,538,945	12,538,945
Unassigned	597,726	-	-	-	-	597,726
Total fund balances	<u>618,730</u>	<u>1,069,989</u>	<u>3,914,721</u>	<u>1,778,869</u>	<u>27,899,454</u>	<u>35,281,763</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,537,265</u>	<u>\$ 33,137,772</u>	<u>\$ 23,741,252</u>	<u>\$ 20,128,789</u>	<u>\$ 96,439,170</u>	<u>\$ 174,984,248</u>

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2013

Total governmental fund balances (Page 18) \$ 35,281,763

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Cost of assets	\$ 198,386,846	
Accumulated depreciation	<u>(68,498,266)</u>	129,888,580

The focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (assessments receivable) are offset by deferred inflows in the governmental funds and thus are not included in fund balance.

Adjustment of deferred revenue	138,498,215
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Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The amount borrowed is received in the governmental funds and increases fund balance, whereas the amount escrowed for payment of the old debt reduces fund balance. The difference between those amounts as well as the bond insurance costs will be amortized as an adjustment of interest expense in the statement of activities over the remaining life of the refunded debt. Balances at year-end consist of:

Bonds and notes payable	(138,865,777)	
Less unamortized deferred amount on refunding	10,112,236	
Less unamortized bond costs (insurance)	101,552	
Accrued interest payable on long-term debt	(1,062,822)	
Compensated absences	<u>(429,317)</u>	<u>(130,144,128)</u>

Total net position (Page 17)	<u>\$ 173,524,430</u>
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See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service 9A	Debt Service 9B	Debt Service 43		
Revenues:						
Non-ad valorem assessments	\$ 425,935	\$ 3,030,687	\$ 1,628,267	\$ 1,504,088	\$ 22,188,919	\$ 28,777,896
Intergovernmental revenues	164	-	-	-	66,215	66,379
Investment income	4,520	10,449	14,624	3,003	105,405	138,001
Miscellaneous	5,908	-	-	-	101,976	107,884
Total revenues	436,527	3,041,136	1,642,891	1,507,091	22,462,515	29,090,160
Expenditures:						
Current:						
Physical environment	2,715,137	-	-	-	4,981,520	7,696,657
Capital outlay	68,060	-	-	-	3,702,523	3,770,583
Debt service:						
Principal	384,175	-	840,000	644,920	9,132,538	11,001,633
Interest	52,486	984,628	972,398	881,590	3,624,780	6,515,882
Debt issuance cost	-	154,900	-	-	450,284	605,184
Payment to escrow agent	-	33,741,796	-	-	12,967,083	46,708,879
Other	-	11,268	5,996	5,636	46,036	68,936
Total expenditures	3,219,858	34,892,592	1,818,394	1,532,146	34,904,764	76,367,754
Excess (deficiency) of revenues over expenditures	(2,783,331)	(31,851,456)	(175,503)	(25,055)	(12,442,249)	(47,277,594)
Other financing sources (uses):						
Transfers in	2,829,661	-	-	-	155,802	2,985,463
Transfers out	(2,443)	-	-	-	(2,983,020)	(2,985,463)
Advances from landowners	-	-	-	-	215,446	215,446
Proceeds from sales/disposals of capital assets	4,645	-	-	-	43,652	48,297
Repayments to landowners	-	-	-	-	(13,297)	(13,297)
Proceeds from refunding bonds	-	32,064,999	-	-	12,535,000	44,599,999
Premium on refunding bonds issued	-	-	-	-	157,808	157,808
Total other financing sources (uses)	2,831,863	32,064,999	-	-	10,111,391	45,008,253
Net change in fund balances	48,532	213,543	(175,503)	(25,055)	(2,330,858)	(2,269,341)
Fund balances, beginning of year	570,198	856,446	4,090,224	1,803,924	30,230,312	37,551,104
Fund balances, end of year	\$ 618,730	\$ 1,069,989	\$ 3,914,721	\$ 1,778,869	\$ 27,899,454	\$ 35,281,763

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Net change in fund balances - total governmental funds (Page 20)		\$ (2,269,341)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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.</p>		
Expenditures for capital assets	\$ 3,770,583	
Less current year depreciation expense	<u>(5,713,020)</u>	(1,942,437)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
Capital asset contribution from developer	274,775	
Proceeds from the sale/disposal of capital assets	(48,297)	
Loss on disposal of capital assets	<u>(1,137,666)</u>	(911,188)
<p>Governmental funds report annual collections of debt assessments as revenue, including the portion collected for principal repayment. However, in the statement of activities, the principal repayment portion is recognized as revenue upon adoption of the resolutions authorizing the debt.</p>		
		(12,071,635)
<p>Some revenues, expenses, gains and losses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources:</p>		
Current year compensated absences	(429,317)	
Prior year compensated absences	<u>395,752</u>	(33,565)
<p>Interest expense in the statement of activities differs from the amount reported in governmental funds for two reasons. The net effect of accrued interest on long-term debt (difference between amount that would have been accrued in prior year and current year accrual), and adjustments arising from bond insurance and refunding costs are amortized:</p>		
Insurance costs	102,394	
Net effect of accrued interest on long-term debt	197,240	
Net amortization of bond discount and premium	17,039	
Amortization of bond insurance costs and refunding costs	<u>(725,923)</u>	(409,250)
<p>Bond and note proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position.</p>		
Refunding special assessment bonds	(44,599,999)	
Net discount/premium on refunded debt	<u>(157,808)</u>	(44,757,807)
Payment to refunded bond escrow agent	46,708,879	
Principal payments on long-term debt	<u>11,001,633</u>	<u>57,710,512</u>
Change in net position of governmental activities (Page 17)		\$ <u>(4,684,711)</u>

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Northern Palm Beach County Improvement District (the District) was created pursuant to Chapter 59-994, Florida Statutes and codified pursuant to Chapter 2000-467, Laws of Florida, and supplemented by Chapters 2004-467, 2005-302, 2006-330, and 2010-243, Laws of Florida, for the purpose of reclaiming the lands within its boundaries for water control and water supply purposes, and to protect the land from the effects of water by means of the construction and maintenance of canals, ditches, levees, dikes, pumping plants, and other works and improvements. The District is also authorized to construct and operate water and sewer facilities, roads, parks and parkways. The District is located in the northeastern section of Palm Beach County and encompasses approximately 128 square miles of land.

The governing body of the District is the Board of Supervisors ("the Board") which is comprised of five elected members. The Board is responsible for legislative and fiscal control of the District.

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Implementation of Governmental Accounting Standards Board Statements with Impact on the Financial Statements (See Note 12)

The District implemented the following GASB Statements during the fiscal year ended September 30, 2013:

GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It further identifies net position as the residual of all other elements presented in a statement of financial position.

GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Implementation of Governmental Accounting Standards Board Statements with Impact on the Financial Statements (Continued)

GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

This Statement incorporates into GASB literature certain accounting and financial reporting guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements which does not conflict with GASB pronouncements.

B. Financial Reporting Entity

The financial statements were prepared in accordance with GASB Statements related to *The Financial Reporting Entity*, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the District, organizations for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. Based upon the application of these criteria, there were no organizations that met the criteria described above.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the extent to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-ad valorem assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter 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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures for compensated absences, are recorded only when payment is due.

Non-ad valorem assessments and interest on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District. Revenues for expenditure driven grants are recognized when the related expenditures are incurred.

The District reports the following major governmental funds:

The *General Fund* is the primary operating fund and is used to account for all financial resources applicable to the general operations of the District except those required to be accounted for in another fund.

The *Unit 9A Debt Service Fund*, is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for Unit of Development 9A.

The *Unit 9B Debt Service Fund*, is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for Unit of Development 9B.

The *Unit 43 Debt Service Fund*, is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for Unit of Development 43.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the District reports the following non-major fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

E. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

Cash and investments of each fund, except for certain investments governed by bond resolutions or other contractual agreements, are accounted for in pooled cash and investment accounts with each fund maintaining its proportionate equity in the pooled accounts. The use of a pooled cash and investment account enables the District to invest idle cash for short periods of time, thereby maximizing earnings potential. Income earned from this pooling of investments is allocated to the respective funds based upon average monthly proportionate balances.

The District can invest in interest-bearing checking or savings accounts, interest-bearing time deposits, the Local Government Surplus Funds Trust Fund, Securities and Exchange Commission registered money market funds, direct obligations of the U.S. Treasury, Federal Agencies and Government Sponsored Enterprises, commercial paper, securities of investment companies limited to obligations of the U.S. Government, repurchase agreements collateralized by U.S. Treasury Securities, and other investments authorized by law for districts or by resolution of the District. All investments are reported at fair value.

The District considers cash on hand, demand deposits, money market funds and all other short-term investments that are highly liquid to be cash equivalents.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position or Equity (Continued)

2. Accounts Receivable

Accounts receivable include refunds and net reimbursements due to the District. Management believes the amounts are fully collectible.

3. Assessments Receivable/Unavailable Revenue

Assessments receivable recorded in the Debt Service and Special Revenue Funds represent the balance of outstanding assessments levied by the District to repay outstanding debt. The assessments are levied at the time the related debt issuance is authorized. The receivables are collected in annual installments together with assessments for interest and collection costs in amounts sufficient to meet the annual debt service requirements.

The District reports unavailable revenue as a deferred inflow of resources in the fund financial statements in an amount equal to the assessments receivable since this revenue will be collected in future years. This assessment revenue is not deferred in the government-wide financial statements. Instead, it is recognized as revenue at the time the assessments are levied.

4. Prepaid items

Payments made to vendors for services that will benefit periods beyond September 30, 2013, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved, as this amount is not available for general appropriation.

5. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and intangible assets are reported in the government-wide financial statements. When purchased, acquired or constructed, capital assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net position.

Capital assets are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure, such as canals, bridges, culverts and drainage systems, are capitalized along with other general capital assets at historical costs.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position or Equity (Continued)

5. Capital Assets and Depreciation (Continued)

The District uses a capitalization threshold of \$1,000 for tangible assets as well as certain intangible assets, such as computer software. Other intangible assets, such as easements, have a capitalization threshold of \$50,000.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable capital assets are as follows:

Water control structures	50 years
Surface water management system	50 years
Roadway improvements	20 years
Buildings and improvements	20 years
Parks and facilities	20 years
Storm water pump station	15 years
Water, sewer and irrigation facilities	15 years
Entrance gates and other improvements	10-20 years
Machinery and equipment	5-10 years

6. Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the balance of outstanding assessments levied by the District to repay outstanding debt. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position or Equity (Continued)

7. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On both the government-fund statements and the government-wide statements, unearned revenues represent the corresponding liability for cash advances received to fund future expected expenditures related to permit and plat petitions.

8. Compensated Absences

The District's employees are granted compensated absence pay for vacation leave based on length of service to a maximum of 308 hours. Employees must use 75% of the annual vacation accrual or forfeit the unused portion. Vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the District will compensate the employees upon termination or retirement. Employees who began working before July 1, 2005 are eligible for paid sick leave, up to a maximum of 420 hours. Employees who began working after July 1, 2005 are not paid for accrued sick leave. The District uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are eligible to receive termination payments upon separation.

Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. For the governmental funds, compensated absences are liquidated by the general fund.

9. Long-Term Debt

Bonds payable are reported as liabilities in the government-wide statement of net position. These liabilities are not reported in the fund financial statements as they are not considered to be current liabilities.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds are reported net of the applicable bond premium or discount. Prepaid insurance associated with the issuance of debt is reported as an asset and amortized over the term of the related debt.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position or Equity (Continued)

9. Long-Term Debt (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as an other financing source while discounts on debt issuances are reported as an other financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

On the government-wide statement of net position, debt premiums and discounts are netted against the debt payable. On the government-wide statement of activities, debt premiums and discounts, are deferred and amortized over the life of the debt using the straight-line method.

Deferred amounts on refunding are reported as deferred inflows or outflows of resources on the statements of net position. These deferred amounts are amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt). Bond issuance costs are recognized as an outflow of resources (expense) in the reporting period in which they are incurred.

10. Net Position

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted for debt service, 3) unrestricted. Net investment in capital assets, net of related debt consist of capital assets reduced by accumulated depreciation and by any outstanding debt and deferred inflows and outflows of resources incurred to acquire, construct, or improve those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

11. Fund Balances

Classifications of fund balance are hierarchical and are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the District to classify and report amounts in the appropriate fund balance classifications. The District's accounting policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of non-spendable, restricted, committed, assigned or unassigned.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position or Equity (Continued)

11. Fund Balances (Continued)

The District reports the following classifications in accordance with its officially adopted policy on fund balance:

Non-spendable fund balance. Non-spendable fund balances are amounts that are (a) not in spendable form, such as inventory, prepaids or capital assets, or (b) legally or contractually required to be maintained intact.

Restricted fund balance. Restricted fund balances are amounts that can be spent only from specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. Committed fund balance can only be used for the specific purposes determined by a formal action (Board approval or Resolution having equal authority) of the Board, the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board taking the same formal action (Board approval or Resolution) that imposed the constraint originally.

Assigned fund balance. Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by management of the District to which the Board has delegated the authority by formal policy to assign, modify, or rescind amounts to be used for specific purposes. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the General Fund or governmental funds that are intended to be used for a specific purpose. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned fund balance. Unassigned fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

12. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position or Equity (Continued)

12. Fund Balance Flow Assumptions (Continued)

of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

14. Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenditures during the period reported. These estimates include assessing the collectability of receivables and useful lives and impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The District's deposits at year end are insured or collateralized.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Investments

The District has adopted an investment policy in accordance with Florida Statutes to establish guidelines for the efficient management of its cash reserves.

The Local Government Surplus Funds Trust Fund (the "State Pool") is an external investment pool. The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. In November 2007, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their funds and ultimately restructured the State Pool into two separate pools Florida PRIME and "Fund B", both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of Florida PRIME and Fund B. Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board had adopted operating procedures consistent with the requirements for a 2a-7 like fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in Florida PRIME is equal to the value of the pool shares. The Fund B is accounted for as a fluctuating NAV pool as it does not meet the requirements of an SEC 2a-7 like fund. As of September 30, 2013, the fair value factor for Fund B was \$1.13262284 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within Florida PRIME. The investments in Florida PRIME and Fund B are not insured by FDIC or any other governmental agency. Effective, January 23, 2008, the District's investment policy was modified to prohibit additional local government investment pool investments without Board direction and approval. Accordingly, the District's participation in the State Pool is involuntary, and the District has made withdrawals from the State Pool to the full extent as balances become available. As of September 30, 2013, the District has no investments in Florida PRIME.

Interest Rate Risk

As of September 30, 2013, the District had the following investments subject to interest rate risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
SBA Fund B	\$ 95,598	4.04 years
U.S. Agencies securities	\$ 4,777,453	1.60 years
U.S. Treasury obligations	\$ 6,731,368	0.58 years

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk (Continued)

The District will attempt to minimize the risk that the market value of securities in the portfolio will fail due to changes in interest rates by:

- A. Structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- B. Investing operating funds primarily in short-term securities, money market funds, or similar investment pools unless it is anticipated that long-term securities can be held until maturity without jeopardizing the liquidity requirements.

Credit Risk

State law and the District's investment policy limits investments in bonds, U.S. treasuries and agency obligations, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations (NRSRO) of the United States. As of the year end, the credit quality ratings of debt securities and external investment pools were as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
State Board of Administration (Fund B)	\$ 95,598	Not rated	N/A
U.S. government agencies:			
Federal Home Loan Bank	1,254,141	AA+	S&P
Federal Home Loan Mortgage Corporation	1,036,634	AA+	S&P
Federal National Mortgage Association	2,486,678	AA+	S&P

The risk of loss due to failure of the security issuer or backer will be minimized by:

- A. Limiting investments to the safest types of securities, based on portfolio composition.
- B. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business.
- C. Diversifying the investment portfolio so that potential losses on individual securities will not place an undue financial burden on the District.
- D. Monitoring all of the District's investments to anticipate and respond appropriately to changing market conditions. (Daily by the District's Investment Advisor, monthly by the District's finance director and quarterly by the Board.)
- E. Investments in Money Market Fund, Federal Farm Credit Bank, and Commercial Paper are rated with a nationally recognized rating agency Aaa, Aaa, and A-1+ respectively.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u> ⁽¹⁾	<u>Deletions</u>	<u>Transfers</u>	Ending <u>Balance</u>
Capital assets not being depreciated:					
Land	\$ 20,146,960	\$ -	\$ 1,639	\$ -	\$ 20,145,321
Lakes and canal improvements	9,637,137	144,232	-	1,286,755	11,068,124
Preserve improvements	8,850,619	134,677	-	-	8,985,296
Construction in progress	<u>2,722,147</u>	<u>455,968</u>	<u>-</u>	<u>(2,148,200)</u>	<u>1,029,915</u>
Total capital assets not being depreciated	<u>41,356,863</u>	<u>734,877</u>	<u>1,639</u>	<u>(861,445)</u>	<u>41,228,656</u>
Capital assets being depreciated:					
Buildings and improvements	6,581,298	-	-	-	6,581,298
Parks and facilities	9,614,967	-	-	-	9,614,967
Machinery and equipment	7,589,456	263,103	28,603	-	7,823,956
Roadway improvements	58,113,677	334,595	-	-	58,448,272
Storm water pump stations	10,315,429	2,712,154	1,155,721	861,445	12,733,307
Surface water management system	47,442,081	628	-	-	47,442,709
Water control structures	11,869,712	-	-	-	11,869,712
Water, sewer and irrigation facilities	<u>2,643,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,643,969</u>
Total capital assets being depreciated	<u>154,170,589</u>	<u>3,310,480</u>	<u>1,184,324</u>	<u>861,445</u>	<u>157,158,190</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,128,630)	(329,065)	-	-	(2,457,695)
Parks and facilities	(4,079,569)	(480,748)	-	-	(4,560,317)
Machinery and equipment	(6,832,552)	(297,370)	-	-	(7,129,922)
Roadway improvements	(28,734,907)	(2,635,552)	-	-	(31,370,459)
Storm water pump stations	(7,420,393)	(644,243)	-	-	(8,064,636)
Surface water management system	(9,515,802)	(948,848)	-	-	(10,464,650)
Water control structures	(2,961,168)	(237,394)	-	-	(3,198,562)
Water, sewer and irrigation facilities	<u>(1,112,225)</u>	<u>(139,800)</u>	<u>-</u>	<u>-</u>	<u>(1,252,025)</u>
Total accumulated depreciation	<u>(62,785,246)</u>	<u>(5,713,020)</u>	<u>-</u>	<u>-</u>	<u>(68,498,266)</u>
Total capital assets being depreciated, net	<u>91,385,343</u>	<u>(2,402,540)</u>	<u>1,184,324</u>	<u>861,445</u>	<u>88,659,924</u>
Governmental activities capital assets, net	<u>\$ 132,742,206</u>	<u>\$ (1,667,663)</u>	<u>\$ 1,185,963</u>	<u>\$ -</u>	<u>\$ 129,888,580</u>

⁽¹⁾ Additions include \$274,777 in donated assets.

Depreciation expense was charged to functions as follows:

Governmental activities:

 Physical environment

\$5,713,020

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES

Long-term obligations are comprised of limited obligation bonds, notes payable and compensated absences. Debt was issued primarily to provide funds to finance the cost of projects to construct or maintain improvements within the District. The limited obligation bonds and notes payable bear interest at rates ranging from 1.5% to 8.25% and mature in future years through 2041, and are collateralized by pledged future drainage and maintenance assessments (non-ad valorem assessments). The total principal and interest remaining on the debt is \$197,765,108 payable through August 1, 2041, and is 100% funded by the non-ad valorem assessments. For the current year, principal and interest paid and total non-ad valorem assessments were \$17,517,515 and \$28,777,896, respectively.

Special Assessment Debt with Governmental Commitment

Special assessment debt with governmental commitment is not backed by the full faith and credit of the District but is payable solely from and secured solely by a lien on and pledge of drainage taxes (non-ad valorem assessments) of the properties benefited by the improvements.

Outstanding balances at September 30, 2013, are as follows:

\$4,835,000 Series 2013 Water Control and Improvement Refunding Bonds, Unit 2A, due in annual installments of \$165,000 to \$365,000 from August 1, 2014, through August 1, 2033, with interest from 2.00% to 5.25% payable semi-annually on February 1 and August 1 of each year.	\$ 4,835,000
\$1,925,000 Water Control and Improvement Refunding Bonds, Unit 3A, Series 2004A, due in annual installments of \$180,000 to \$195,000 from August 1, 2014, through August 1, 2015, with interest of 3.25% payable semi-annually on February 1 and August 1 of each year and \$3,670,000 Water Control and Improvement Refunding Bonds, Unit 3A, Taxable Series 2004B, due on August 1, 2027, subject to mandatory redemptions of \$35,000 to \$400,000 from August 1, 2015 through August 1, 2027 with interest of 5.375% payable semi-annually on February 1 and August 1 of each year.	4,045,000
\$2,000,000 Series 2007 Water Control and Improvement Bonds, Unit 5A, due in an annual installment of \$295,000 on August 1, 2014, with interest at 4.30% payable semi-annually on February 1 and August 1 of each year.	295,000

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Special Assessment Debt with Governmental Commitment (Continued)

\$6,440,000 Series 2005 Water Control and Improvement Refunding Bonds, Unit 5B, due in annual installments of \$300,000 to \$475,000 from August 1, 2014 to August 1, 2025, with interest from 3.5% to 4.25% payable semi-annually on February 1 and August 1 of each year. The bonds are subject to mandatory redemptions of \$435,000 to \$475,000 from August 1, 2023, to August 1, 2025.	\$ 4,580,000
\$3,080,000 Series 2006 Water Control and Improvement Refunding Bonds, Unit 5C, due in annual installments of \$330,000 to \$355,000 from August 1, 2014, to August 1, 2016, with interest at 4.00% payable semi-annually on February 1 and August 1 of each year.	1,025,000
\$3,870,000 Series 2006 Water Control and Improvement Refunding Bonds, Unit 5D, due in annual installments of \$300,000 to \$365,000 from August 1, 2014 to August 1, 2019, with interest from 4.00% to 4.125% payable semi-annually on February 1 and August 1 of each year.	1,995,000
\$32,064,999 Series 2013 Water Control and Improvement Refunding Bonds, Unit 9A, due in annual installments of \$1,881,739 to \$2,749,478 from August 1, 2014, through August 1, 2027, with an interest rate of 2.96%, payable semi-annually on February 1 and August 1 of each year.	32,064,999
\$25,805,000 Series 2005 Water Control and Improvement Refunding Bonds, Unit 9B, due in annual installments of \$880,000 to \$1,290,000 from August 1, 2014 to August 1, 2023, and subject to mandatory redemptions of \$1,355,000 to \$1,725,000 from August 1, 2024 to August 1, 2029, with interest from 4.00% to 5.00%, payable semi-annually on February 1 and August 1 of each year.	19,825,000
\$7,700,000 Series 2012 Water Control and Improvement Refunding Bonds, Unit 16, comprised of \$3,605,000 5.125% Term Bonds due August 1, 2022 and \$3,830,000 5.750% Term Bonds due August 1, 2032. The 2022 Term Bonds are subject to mandatory redemptions of \$325,000 to \$490,000 from August 1, 2014 to August 1, 2022, and the 2032 Term Bonds are subject to mandatory redemptions of \$280,000 to \$550,000 from August 1, 2023, to August 1, 2032.	7,435,000

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Special Assessment Debt with Governmental Commitment (Continued)

\$33,980,000 Series 1998 Water Control and Improvement Refunding Bonds, Unit 18, due in an annual installment of \$2,850,000 due August 1, 2014, with interest of 5.00% payable semi-annually on February 1 and August 1 of each year.	\$ 2,850,000
\$3,259,735 Series 2007 Water Control and Improvement Refunding Bonds, Unit 19, due in annual installments of \$226,358 to \$306,356 from August 1, 2014, to August 1, 2021, with an interest rate of 4.55% payable semi-annually on February 1 and August 1 of each year.	2,103,920
\$3,745,000 Series 2012 Water Control and Improvement Refunding Bonds, Unit 27B, due in annual installments of \$130,000 to \$275,000 from August 1, 2014, to August 1, 2032, with interest from 3.0% to 4.75% payable semi-annually on February 1 and August 1 of each year.	3,620,000
\$6,360,000 Series 2003 Water Control and Improvement Refunding Bonds, Unit 31, Program I, due in an annual installment of \$725,000 and a semi-annual interest payment of 4.00% on November 1, 2013.	725,000
\$14,190,000 Series 2001 Water Control and Improvement Refunding Bonds, Unit 31 due in annual installments of \$1,195,000 to \$2,180,000 from November 1, 2013 to November 1, 2015, with interest of 5.0% to 5.125% payable semi-annually on May 1 and November 1 of each year.	5,450,000
\$736,826 Series 2003 Water Control and Improvement Bonds, Unit 43, due in an annual installment of \$83,756 on August 1, 2014, and interest payments of 4.80% payable semi-annually on February 1 and August 1.	83,756
\$6,680,000 Series 2007A Water Control and Improvement Refunding Bonds, Unit 43, due in annual installments of \$575,000 to \$790,000 from August 1, 2014, through August 1, 2021, with interest at 4.55% payable semi-annually on February 1 and August 1 of each year.	5,415,000

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Special Assessment Debt with Governmental Commitment (Continued)

\$13,345,000 Series 2007B Water Control and Improvement Refunding Bonds, Unit 43, due in annual installments of \$15,000 to \$1,475,000 from August 1, 2014, through August 1, 2031, with interest of 4.25% to 5.00% payable semi-annually on February 1 and August 1 of each year.	\$ 12,850,000
\$4,540,000 Series 2012A Water Control and Improvement Refunding Bonds, Unit 44, due in annual installments of \$20,000 to \$665,000 from August 1, 2014, to August 1, 2031, with interest from 1.5% to 4.5% payable semi-annually on February 1 and August 1 of each year.	4,540,000
\$3,445,280 Series 2010B Water Control and Improvement Refunding Bonds, Unit 44 (Taxable), due in annual installments of \$194,449 to \$368,325 from August 1, 2014, to August 1, 2024, with interest of 6.51% payable semiannually on February 1 and August 1 of each year.	3,003,657
\$4,600,000 Series 2006 Water Control and Improvement Refunding Bonds, Unit 45, due in annual installments of \$125,000 to \$280,000 from August 1, 2014, to August 1, 2033, with interest from 4.00% to 4.50% payable semiannually on February 1 and August 1 of each year.	3,815,000
\$11,500,000 Series 2007A Water Control and Improvement Bonds, Unit 46, term bonds due August 1, 2041. The bonds are subject to mandatory redemptions due in annual installments of \$300,000 to \$870,000 from August 1, 2021, through August 1, 2041, with interest at 5.35% payable semi-annually on February 1 and August 1 of each year.	11,500,000
\$2,320,000 Series 2007B Water Control and Improvement Bonds (Taxable), Unit 46, term bonds due August 1, 2021. The bonds are subject to mandatory redemptions due in annual installments of \$170,000 to \$275,000 from August 1, 2014, through August 1, 2021, with interest at 8.25% payable semi-annually on February 1 and August 1 of each year.	<div style="border-top: 1px solid black; display: inline-block;">1,770,000</div>
Total special assessment debt with governmental commitment	<div style="border-top: 3px double black; display: inline-block;">\$ 133,826,332</div>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Notes Payable

The notes do not constitute a general obligation of the District, or the State of Florida, or any political subdivision, but are obligations payable solely from non-ad valorem revenues of the District. Outstanding balances at September 30, 2013 are as follows:

\$3,700,000 promissory note, EOC/Administrative Complex, due in annual installments of \$240,000 to \$370,000 from August 1, 2014 through August 1, 2015 with interest at 4.75%. Interest is payable semi-annually on February 1 and August 1 of each year.	\$ 610,000
\$1,884,907 promissory note, Units of Development No. 3,4,14,21,23 & 32 A, due in an annual installment of \$50,379 on August 1, 2014 with interest at 3.90% payable semi-annually on February 1 and August 1.	50,379
\$1,500,000 promissory note, Unit 11, due in annual installments of \$161,060 to \$164,445 from August 1, 2014 through August 1, 2015, with interest of 4.18% payable semi-annually on February 1 and August 1 of each year.	325,505
\$265,500 promissory note, Units of Development No. 4, 14, and 20, due in annual installments of \$6,777 to \$7,507 from August 1, 2014, through August 1, 2016, with interest at 5.25% payable semi-annually on February 1, and August 1 of each year.	21,416
\$850,000 promissory note, Unit 5A, due in an annual installment of \$184,000 on August 1, 2014, with interest at 4.30% payable semi-annually on February 1, and August 1.	184,000
\$3,950,000 promissory note, Unit 11 and 14, due in annual installments of \$229,459 to \$309,692 from August 1, 2014 through August 1, 2026, with interest at 2.53% payable semi-annually on February 1, and August 1 of each year.	<u>3,480,583</u>
Total notes payable	<u>\$ 4,671,883</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Notes Payable (Continued)

Changes in long-term obligations for the year ended September 30, 2013, are summarized below:

	Balance September 30, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2013</u>	Due Within <u>One Year</u>
Limited obligation bonds	\$ 143,623,387	\$ 44,599,999	\$ 54,397,054	\$ 133,826,332	\$ 10,981,303
Plus bond premium	476,239	162,529	37,507	601,261	-
Less bond discount	<u>(249,446)</u>	<u>(4,721)</u>	<u>(20,468)</u>	<u>(233,699)</u>	<u>-</u>
Total limited obligation bonds	143,850,180	44,757,807	54,414,093	134,193,894	10,981,303
Notes payable	6,946,463	-	2,274,580	4,671,883	1,001,675
Compensated absences	<u>395,752</u>	<u>219,140</u>	<u>185,575</u>	<u>429,317</u>	<u>137,975</u>
	<u>\$ 151,192,395</u>	<u>\$ 44,976,947</u>	<u>\$ 56,874,248</u>	<u>\$ 139,295,094</u>	<u>\$ 12,120,953</u>

In accordance with GASB 65, the deferred amount of refunding of approximately \$9.8 million as of September 30, 2012 was adjusted for the effects of current year amortization of the deferred charges on refunding and for the effects of the issuance of 2013 refunding bonds and has been reclassified as a deferred outflow of resources on the statement of net position.

The annual requirements to amortize all debt to maturity are as follows:

	Principal			
	Special Assessment	Notes	<u>Interest</u>	<u>Total</u>
	<u>Debt</u>	<u>Payable</u>		
Fiscal Year Ending September 30:				
2013	\$ 10,981,303	\$ 1,001,675	\$ 6,000,858	\$ 17,983,836
2014	8,237,369	646,842	5,481,601	14,365,812
2015	8,573,874	248,724	5,104,795	13,927,393
2016	6,288,472	247,320	4,785,170	11,320,962
2017	6,549,907	253,577	4,522,946	11,326,430
2018-2022	35,149,413	1,367,424	18,216,278	54,733,115
2023-2027	36,150,994	906,321	10,149,999	47,207,314
2028-2032	15,970,000	-	3,492,801	19,462,801
2033-2037	3,410,000	-	1,239,595	4,649,595
2038-2041	<u>2,515,000</u>	<u>-</u>	<u>272,850</u>	<u>2,787,850</u>
	<u>\$ 133,826,332</u>	<u>\$ 4,671,883</u>	<u>\$ 59,266,893</u>	<u>\$ 197,765,108</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Provisions of Bond Resolutions

The District entered into covenants with the bondholders to levy annual assessments sufficient to pay the debt service on the bonds. Reserve accounts were established and the amounts on deposit in these accounts may be used only for the purpose of paying the principal of and interest on the bonds when assessments are not sufficient to meet the debt service requirements when due. The bond resolutions specify minimum amounts to be maintained in the reserve accounts. At September 30, 2013, the District was in compliance with such bond covenants.

NOTE 5. DEFEASED DEBT

Refunded Debt

During the year, the District refinanced four of its limited obligation bonds as summarized in the table below.

Unit	Series	Old Debt Defeased		New Refunding Debt Issued			Cash Flow Savings	Economic Gain
		Principal Amount Retired	Interest Rates	Dated	Principal Amount Issued	Interest Rates		
16	1999 and 2002	\$ 7,600,000	6.0% - 7.5%	10/11/12	\$ 7,700,000	5.125% - 5.75%	\$ 1,096,118	\$ 689,720
9A	2003	\$ 32,995,000	3.5% - 5.25%	5/3/13	\$ 32,064,999	2.96%	\$ 5,485,861	\$ 4,767,550
2A	2002	\$ 5,075,000	6.4%	8/11/13	\$ 4,835,000	2.0%- 5.25%	\$ 785,937	\$ 200,596

Upon issuance of the refunding, the debt defeased and the related escrow assets were removed from the face of the financial statements.

NOTE 6. INTERFUND TRANSACTIONS

Transfers of resources from a fund receiving revenue to the fund through which the resources will be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds. Non-recurring or non-routine transfers of equity between funds are also reported as transfers. These transfers were made in order to close capital projects and debt service funds for which the fund's purpose had been accomplished and for surplus construction funds transferred to other funds in accordance with the original capital projects funding agreements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 6. INTERFUND TRANSACTIONS (Continued)

Following is a summary of transfers individually by major fund and in the aggregate for non-major funds for the year.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General fund	\$ 2,829,661	\$ 2,443
Nonmajor funds in the aggregate	<u>155,802</u>	<u>2,983,020</u>
Total interfund transfers	<u>\$ 2,985,463</u>	<u>\$ 2,985,463</u>

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. There were no amounts due from and to other funds at September 30, 2013.

NOTE 7. CONSTRUCTION COMMITMENTS

The status of contracts at September 30, 2013 is as follows:

<u>Project</u>	<u>Total Contract Amount</u>	<u>Expended Through September 30, 2013</u>	<u>Payable At September 30, 2013</u>	<u>Balance to Complete</u>
Administration Capital Project Fund	\$ 229,295	\$ 224,886	\$ 4,409	\$ -
Unit of Development No. 11	1,853,467	1,154,785	182,847	515,835
Unit of Development No. 24	221,050	189,856	31,194	-
Unit of Development No. 31	<u>119,630</u>	<u>100,670</u>	<u>18,960</u>	<u>-</u>
	<u>\$ 2,423,442</u>	<u>\$ 1,670,197</u>	<u>\$ 237,410</u>	<u>\$ 515,835</u>

NOTE 8. DEFINED CONTRIBUTION PLAN

The Northern Palm Beach County Improvement District SEPP Plan is a defined contribution pension plan established by the District to provide benefits at retirement to the employees of the District.

All full-time employees of the District are eligible to participate in the plan upon completion of the six month introductory period. The District contributes an amount equal to 18% of the employee’s base salary each month to the plan. Employees cannot contribute to the plan. The District’s contribution for each employee (and interest allocated to the employee’s account) is fully vested following completion of the six month introductory period. Employees designate which companies will administer their individual contributions. Contributions are made to the individual’s SEP IRA account and are invested at the direction of the account owner. Plan revisions and contribution requirements are established and may be amended by the District’s Board of Supervisors. The District made 100% of its required contributions of \$251,552 for fiscal year ended September 30, 2013.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Specifically, the District purchases commercial insurance for property, medical benefits, worker's compensation, general liability, automobile liability, errors and omissions, and directors and officers liability. The District is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of certain governmental entities to individual claims of \$200,000/\$300,000 for all claims relating to the same accident. There were no changes in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage in the last three years.

NOTE 10. INTERLOCAL AGREEMENTS

The District has executed interlocal agreements with forty-one (41) local governmental entities. Pursuant to the agreements, the District is acting as the lead applicant (with the other governmental entities as co-applicants) for the purpose of filing a permit application with the Environmental Protection Agency and to implement the regulations for the National Pollutant Discharge Elimination System (NPDES) Permit Program which addresses stormwater discharges to waters of the United States.

For the year ended September 30, 2013, the District received \$509,981 from the governmental entities including interest earnings, and spent \$439,381 on the NPDES application program. The cumulative excess of receipts over disbursements from inception of the NPDES application program through September 30, 2013 was \$241,511.

NOTE 11. CONTINGENT LIABILITIES

Litigation, Claims and Assessments

There are various claims and legal actions pending against the District for which no provision has been made in the financial statements. In the opinion of management and the District's attorneys, liabilities arising from these claims and legal actions, if any, will not have a material adverse effect on the financial condition of the District.

Grants

Grant monies received and disbursed by the District are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. Based upon prior experience, the District does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material adverse effect on the financial position of the District.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. PRIOR PERIOD ADJUSTMENT

Implementation of GASB Statement No. 63 and GASB Statement No. 65

In fiscal year ended September 30, 2013, the District implemented *GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. As a result, we have written off the unamortized bond issuance costs for the governmental activities at the government-wide level, by adjusting all periods affected. In addition, there are numerous terminology changes throughout the financial section of this report. These classification changes do not require a prior period adjustment.

The previously stated net position/fund balances have been adjusted as follows:

September 30, 2012	Government-wide Governmental Activities Statement of Activities
Net position, as previously reported	\$ 182,134,099
Write off unamortized bond issuance costs as a result of GASB 65 implementation	<u>(3,924,958)</u>
Net position, as restated	<u>\$ 178,209,141</u>

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts			Variance from Final Positive (Negative)
	Original	Final	Actual	
Revenues:				
Non-ad valorem assessments	\$ 420,898	\$ 420,898	\$ 425,935	\$ 5,037
Intergovernmental revenues	-	-	164	164
Investment income	-	-	4,520	4,520
Miscellaneous	-	-	5,908	5,908
Total revenues	420,898	420,898	436,527	15,629
Expenditures:				
Current:				
Physical environment	2,900,589	2,865,589	2,715,137	150,452
Capital outlay	30,200	65,200	68,060	(2,860)
Debt service:				
Principal	384,175	384,175	384,175	-
Interest	52,486	52,486	52,486	-
Total expenditures	3,367,450	3,367,450	3,219,858	147,592
Deficiency of revenues over expenditures	(2,946,552)	(2,946,552)	(2,783,331)	163,221
Other financing sources (uses):				
Transfers in	2,946,552	2,946,552	2,829,661	(116,891)
Transfers out	-	-	(2,443)	(2,443)
Proceeds from sales/disposals of capital assets	-	-	4,645	4,645
Total other financing sources	2,946,552	2,946,552	2,831,863	(114,689)
Net change in fund balance	-	-	48,532	48,532
Fund balance, beginning of year	673,490	673,490	570,198	(103,292)
Fund balance, end of year	\$ 673,490	\$ 673,490	\$ 618,730	\$ (54,760)

See note to budgetary comparison schedule.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1. BUDGET AND BUDGETARY ACCOUNTING

A budgetary comparison schedule is presented for the general fund. Budgetary comparison schedules are not required and have not been presented for the major debt service or capital projects funds or for nonmajor funds. The procedures for establishing budgetary data reflected in the budgetary comparison schedule are as follows:

- In July of each year, the Executive Director submits to the Board of Supervisors a proposed operating budget prepared for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain landowner comments.
- Prior to October 1, the budget is legally adopted by the Board.
- Changes or amendments to any budgeted expenditure of the District must be approved by the Board of Supervisors. The legal level of budgetary control for the District is exercised at the fund level. There were no supplemental appropriations for the fiscal year ended September 30, 2013.
- The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles except for certain hurricane related expenditures. All appropriations lapse at fiscal year end unless encumbered or specifically designated to be carried forward to the subsequent year. The budgeted amounts presented in the accompanying financial statements are the final authorized amounts for the fiscal year.

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**COMBINING NONMAJOR FINANCIAL
STATEMENTS AND SCHEDULES
(SUPPLEMENTARY INFORMATION)**

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NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 13,055,543	\$ 3,953,665	\$ 3,328,630	\$ 20,337,838
Investments	61,927	8,417,944	475	8,480,346
Receivables:				
Assessments	3,841,426	63,587,577	-	67,429,003
Interest	-	17,716	-	17,716
Accounts	87,755	72,976	-	160,731
Prepaid items	<u>13,536</u>	<u>-</u>	<u>-</u>	<u>13,536</u>
Total assets	<u>\$ 17,060,187</u>	<u>\$ 76,049,878</u>	<u>\$ 3,329,105</u>	<u>\$ 96,439,170</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 567,287	\$ 12,991	\$ 244,186	\$ 824,464
Contracts and retainage payable	50,154	-	187,256	237,410
Unearned revenue	<u>48,839</u>	<u>-</u>	<u>-</u>	<u>48,839</u>
Total liabilities	<u>666,280</u>	<u>12,991</u>	<u>431,442</u>	<u>1,110,713</u>
Deferred inflows of resources:				
Unavailable revenue - special assessments	<u>3,841,426</u>	<u>63,587,577</u>	<u>-</u>	<u>67,429,003</u>
Total liabilities and deferred inflows of resources	<u>4,507,706</u>	<u>63,600,568</u>	<u>431,442</u>	<u>68,539,716</u>
Fund balances:				
Non-spendable	13,536	-	-	13,536
Restricted	-	12,449,310	2,897,663	15,346,973
Committed	<u>12,538,945</u>	<u>-</u>	<u>-</u>	<u>12,538,945</u>
Total fund balances	<u>12,552,481</u>	<u>12,449,310</u>	<u>2,897,663</u>	<u>27,899,454</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,060,187</u>	<u>\$ 76,049,878</u>	<u>\$ 3,329,105</u>	<u>\$ 96,439,170</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT											
	<u>1</u>	<u>2</u>	<u>2A</u>	<u>3</u>	<u>3A</u>	<u>4</u>	<u>5</u>	<u>5A</u>	<u>5B</u>	<u>5C</u>	<u>5D</u>	<u>7</u>
ASSETS												
Cash and cash equivalents	\$ 120,121	\$ 398,573	\$ 250,292	\$ 229,238	\$ 202,736	\$ 339,121	\$ 102,925	\$ 529,729	\$ 92,378	\$ 9,105	\$ 102,833	\$ 199,679
Investments	100	1,543	276	871	537	2,154	1,039	5,550	696	82	362	776
Receivables:												
Assessments	-	-	-	22,575	-	23,764	-	184,000	-	-	-	-
Accounts	313	1,177	1,082	1,006	1,248	1,324	734	2,743	326	34	393	606
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 120,534</u>	<u>\$ 401,293</u>	<u>\$ 251,650</u>	<u>\$ 253,690</u>	<u>\$ 204,521</u>	<u>\$ 366,363</u>	<u>\$ 104,698</u>	<u>\$ 722,022</u>	<u>\$ 93,400</u>	<u>\$ 9,221</u>	<u>\$ 103,588</u>	<u>\$ 201,061</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 5,857	\$ 7,133	\$ 1,077	\$ 9,532	\$ 4,103	\$ 7,304	\$ 2,381	\$ 6,662	\$ 2,021	\$ 6	\$ 1,359	\$ 4,378
Contracts and retainage payable	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	2,116	14,531	-	1,800	-	4,421	7,060	7,818	-	-	-	1,464
Total liabilities	<u>7,973</u>	<u>21,664</u>	<u>1,077</u>	<u>11,332</u>	<u>4,103</u>	<u>11,725</u>	<u>9,441</u>	<u>14,480</u>	<u>2,021</u>	<u>6</u>	<u>1,359</u>	<u>5,842</u>
Deferred inflows of resources:												
Unavailable revenue - special assessments	-	-	-	22,575	-	23,764	-	184,000	-	-	-	-
Total liabilities and deferred inflows of resources	<u>7,973</u>	<u>21,664</u>	<u>1,077</u>	<u>33,907</u>	<u>4,103</u>	<u>35,489</u>	<u>9,441</u>	<u>198,480</u>	<u>2,021</u>	<u>6</u>	<u>1,359</u>	<u>5,842</u>
Fund balances:												
Non-spendable	-	-	-	-	-	-	-	-	-	-	-	-
Committed	112,561	379,629	250,573	219,783	200,418	330,874	95,257	523,542	91,379	9,215	102,229	195,219
Total fund balances	<u>112,561</u>	<u>379,629</u>	<u>250,573</u>	<u>219,783</u>	<u>200,418</u>	<u>330,874</u>	<u>95,257</u>	<u>523,542</u>	<u>91,379</u>	<u>9,215</u>	<u>102,229</u>	<u>195,219</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 120,534</u>	<u>\$ 401,293</u>	<u>\$ 251,650</u>	<u>\$ 253,690</u>	<u>\$ 204,521</u>	<u>\$ 366,363</u>	<u>\$ 104,698</u>	<u>\$ 722,022</u>	<u>\$ 93,400</u>	<u>\$ 9,221</u>	<u>\$ 103,588</u>	<u>\$ 201,061</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT											
	<u>9</u>	<u>9A</u>	<u>9B</u>	<u>11</u>	<u>12</u>	<u>12A</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>18</u>	<u>19</u>	<u>19A</u>
ASSETS												
Cash and cash equivalents	\$ 193,146	\$ 704,683	\$ 406,494	\$ 1,913,920	\$ 104,103	\$ 60,159	\$ 314,519	\$ 310,330	\$ 688,545	\$ 843,554	\$ 297,165	\$ 124,087
Investments	321	1,916	1,799	13,399	262	108	1,914	2,973	951	2,369	2,465	841
Receivables:												
Assessments	-	-	-	2,446,571	-	-	1,139,060	-	-	-	-	-
Accounts	551	3,184	5,967	12,266	740	110	2,990	2,098	3,352	6,093	2,093	491
Prepaid items	-	-	-	-	-	-	-	-	13,536	-	-	-
Total assets	<u>\$ 194,018</u>	<u>\$ 709,783</u>	<u>\$ 414,260</u>	<u>\$ 4,386,156</u>	<u>\$ 105,105</u>	<u>\$ 60,377</u>	<u>\$ 1,458,483</u>	<u>\$ 315,401</u>	<u>\$ 706,384</u>	<u>\$ 852,016</u>	<u>\$ 301,723</u>	<u>\$ 125,419</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 2,694	\$ 41,252	\$ 22,961	\$ 88,885	\$ 1,247	\$ 191	\$ 20,935	\$ 23,829	\$ 22,314	\$ 84,450	\$ 13,341	\$ 92
Contracts and retainage payable	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	612	-	5,571	-	-	-	-	1,788	-	-	-
Total liabilities	<u>2,694</u>	<u>41,864</u>	<u>22,961</u>	<u>94,456</u>	<u>1,247</u>	<u>191</u>	<u>20,935</u>	<u>23,829</u>	<u>24,102</u>	<u>84,450</u>	<u>13,341</u>	<u>92</u>
Deferred inflows of resources:												
Unavailable revenue - special assessments	-	-	-	2,446,571	-	-	1,139,060	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>2,694</u>	<u>41,864</u>	<u>22,961</u>	<u>2,541,027</u>	<u>1,247</u>	<u>191</u>	<u>1,159,995</u>	<u>23,829</u>	<u>24,102</u>	<u>84,450</u>	<u>13,341</u>	<u>92</u>
Fund balances:												
Non-spendable	-	-	-	-	-	-	-	-	13,536	-	-	-
Committed	191,324	667,919	391,299	1,845,129	103,858	60,186	298,488	291,572	668,746	767,566	288,382	125,327
Total fund balances	<u>191,324</u>	<u>667,919</u>	<u>391,299</u>	<u>1,845,129</u>	<u>103,858</u>	<u>60,186</u>	<u>298,488</u>	<u>291,572</u>	<u>682,282</u>	<u>767,566</u>	<u>288,382</u>	<u>125,327</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 194,018</u>	<u>\$ 709,783</u>	<u>\$ 414,260</u>	<u>\$ 4,386,156</u>	<u>\$ 105,105</u>	<u>\$ 60,377</u>	<u>\$ 1,458,483</u>	<u>\$ 315,401</u>	<u>\$ 706,384</u>	<u>\$ 852,016</u>	<u>\$ 301,723</u>	<u>\$ 125,419</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT										
	<u>20</u>	<u>21</u>	<u>23</u>	<u>24</u>	<u>27B</u>	<u>29</u>	<u>31</u>	<u>32</u>	<u>32A</u>	<u>33</u>	<u>34</u>
ASSETS											
Cash and cash equivalents	\$ 47,523	\$ 762,682	\$ 170,293	\$ 586,853	\$ 120,778	\$ 149,291	\$ 441,388	\$ 10,026	\$ 9,086	\$ 50,290	\$ 83,607
Investments	395	3,121	1,583	926	668	213	1,695	81	38	98	149
Receivables:											
Assessments	21,416	-	-	-	-	-	-	-	4,040	-	-
Accounts	3,555	2,041	790	1,407	420	382	8,886	64	62	72	593
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 72,889</u>	<u>\$ 767,844</u>	<u>\$ 172,666</u>	<u>\$ 589,186</u>	<u>\$ 121,866</u>	<u>\$ 149,886</u>	<u>\$ 451,969</u>	<u>\$ 10,171</u>	<u>\$ 13,226</u>	<u>\$ 50,460</u>	<u>\$ 84,349</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 722	\$ 11,099	\$ 12,901	\$ 9,791	\$ 5,478	\$ 1,311	\$ 51,046	\$ 549	\$ 476	\$ 101	\$ 8,836
Contracts and retainage payable	-	-	-	31,194	-	-	18,960	-	-	-	-
Unearned revenue	23	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>745</u>	<u>11,099</u>	<u>12,901</u>	<u>40,985</u>	<u>5,478</u>	<u>1,311</u>	<u>70,006</u>	<u>549</u>	<u>476</u>	<u>101</u>	<u>8,836</u>
deferred inflows of resources:											
Unavailable revenue - special assessments	21,416	-	-	-	-	-	-	-	4,040	-	-
Total liabilities and deferred inflows of resources	<u>22,161</u>	<u>11,099</u>	<u>12,901</u>	<u>40,985</u>	<u>5,478</u>	<u>1,311</u>	<u>70,006</u>	<u>549</u>	<u>4,516</u>	<u>101</u>	<u>8,836</u>
Fund balances:											
Non-spendable	-	-	-	-	-	-	-	-	-	-	-
Committed	50,728	756,745	159,765	548,201	116,388	148,575	381,963	9,622	8,710	50,359	75,513
Total fund balances	<u>50,728</u>	<u>756,745</u>	<u>159,765</u>	<u>548,201</u>	<u>116,388</u>	<u>148,575</u>	<u>381,963</u>	<u>9,622</u>	<u>8,710</u>	<u>50,359</u>	<u>75,513</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 72,889</u>	<u>\$ 767,844</u>	<u>\$ 172,666</u>	<u>\$ 589,186</u>	<u>\$ 121,866</u>	<u>\$ 149,886</u>	<u>\$ 451,969</u>	<u>\$ 10,171</u>	<u>\$ 13,226</u>	<u>\$ 50,460</u>	<u>\$ 84,349</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

(Continued)
SEPTEMBER 30, 2013

	<u>38</u>	<u>41</u>	<u>43</u>	<u>44</u>	<u>45</u>	<u>46</u>	<u>47</u>	<u>49</u>	<u>51</u>	<u>Common Area</u>	<u>Total</u>
ASSETS											
Cash and cash equivalents	\$ 468,996	\$ 29,917	\$ 510,967	\$ 237,680	\$ 217,700	\$ 80,831	\$ 394,579	\$ 124,258	\$ 297	\$ 21,066	\$ 13,055,543
Investments	1,271	159	3,613	535	738	1,950	1,127	213	50	-	61,927
Receivables:											
Assessments	-	-	-	-	-	-	-	-	-	-	3,841,426
Accounts	288	183	7,265	617	808	119	205	404	61	8,612	87,755
Prepaid items	-	-	-	-	-	-	-	-	-	-	13,536
Total assets	<u>\$ 470,555</u>	<u>\$ 30,259</u>	<u>\$ 521,845</u>	<u>\$ 238,832</u>	<u>\$ 219,246</u>	<u>\$ 82,900</u>	<u>\$ 395,911</u>	<u>\$ 124,875</u>	<u>\$ 408</u>	<u>\$ 29,678</u>	<u>\$ 17,060,187</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 33,382	\$ 37	\$ 47,407	\$ 636	\$ 1,471	\$ 50	\$ 259	\$ 3,551	\$ 16	\$ 4,164	\$ 567,287
Contracts and retainage payable	-	-	-	-	-	-	-	-	-	-	50,154
Unearned revenue	-	-	-	-	-	525	-	1,110	-	-	48,839
Total liabilities	<u>33,382</u>	<u>37</u>	<u>47,407</u>	<u>636</u>	<u>1,471</u>	<u>575</u>	<u>259</u>	<u>4,661</u>	<u>16</u>	<u>4,164</u>	<u>666,280</u>
Deferred inflows of resources:											
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	-	-	3,841,426
Total liabilities and deferred inflows of resources	<u>33,382</u>	<u>37</u>	<u>47,407</u>	<u>636</u>	<u>1,471</u>	<u>575</u>	<u>259</u>	<u>4,661</u>	<u>16</u>	<u>4,164</u>	<u>4,507,706</u>
Fund balances:											
Non-spendable	-	-	-	-	-	-	-	-	-	-	13,536
Committed	437,173	30,222	474,438	238,196	217,775	82,325	395,652	120,214	392	25,514	12,538,945
Total fund balances	<u>437,173</u>	<u>30,222</u>	<u>474,438</u>	<u>238,196</u>	<u>217,775</u>	<u>82,325</u>	<u>395,652</u>	<u>120,214</u>	<u>392</u>	<u>25,514</u>	<u>12,552,481</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 470,555</u>	<u>\$ 30,259</u>	<u>\$ 521,845</u>	<u>\$ 238,832</u>	<u>\$ 219,246</u>	<u>\$ 82,900</u>	<u>\$ 395,911</u>	<u>\$ 124,875</u>	<u>\$ 408</u>	<u>\$ 29,678</u>	<u>\$ 17,060,187</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT								
	<u>2A</u>	<u>3A</u>	<u>5A</u>	<u>5B</u>	<u>5C</u>	<u>5D</u>	<u>16</u>	<u>18</u>	<u>19</u>
ASSETS									
Cash and cash equivalents	\$ 102,958	\$ 109,887	\$ 29,721	\$ 156,527	\$ 25,606	\$ 46,792	\$ 344,942	\$ 64,866	\$ 51,600
Investments	79	32	141	489,153	45	46	723,219	2,996,830	18
Receivables:									
Assessments	4,835,000	4,045,000	295,000	4,580,000	1,025,000	1,995,000	7,435,000	2,850,000	2,103,920
Interest	-	-	-	102	-	-	151	7,608	-
Accounts	10,245	2,433	2,255	2,743	2,244	2,256	4,922	17,106	1,929
Total assets	<u>\$4,948,282</u>	<u>\$4,157,352</u>	<u>\$ 327,117</u>	<u>\$5,228,525</u>	<u>\$1,052,895</u>	<u>\$2,044,094</u>	<u>\$8,508,234</u>	<u>\$ 5,936,410</u>	<u>\$2,157,467</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 1,916	\$ 454	\$ 415	\$ 488	\$ 394	\$ 396	\$ 761	\$ 2,977	\$ 367
Deferred inflows of resources:									
Unavailable revenue - special assessments	<u>4,835,000</u>	<u>4,045,000</u>	<u>295,000</u>	<u>4,580,000</u>	<u>1,025,000</u>	<u>1,995,000</u>	<u>7,435,000</u>	<u>2,850,000</u>	<u>2,103,920</u>
Total liabilities and deferred inflows of resources	<u>4,836,916</u>	<u>4,045,454</u>	<u>295,415</u>	<u>4,580,488</u>	<u>1,025,394</u>	<u>1,995,396</u>	<u>7,435,761</u>	<u>2,852,977</u>	<u>2,104,287</u>
Fund balances:									
Restricted	<u>111,366</u>	<u>111,898</u>	<u>31,702</u>	<u>648,037</u>	<u>27,501</u>	<u>48,698</u>	<u>1,072,473</u>	<u>3,083,433</u>	<u>53,180</u>
Total fund balances	<u>111,366</u>	<u>111,898</u>	<u>31,702</u>	<u>648,037</u>	<u>27,501</u>	<u>48,698</u>	<u>1,072,473</u>	<u>3,083,433</u>	<u>53,180</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$4,948,282</u>	<u>\$4,157,352</u>	<u>\$ 327,117</u>	<u>\$5,228,525</u>	<u>\$1,052,895</u>	<u>\$2,044,094</u>	<u>\$8,508,234</u>	<u>\$ 5,936,410</u>	<u>\$2,157,467</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

(Continued)

SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT						
	<u>27B</u>	<u>31</u>	<u>41</u>	<u>44</u>	<u>45</u>	<u>46</u>	<u>Total</u>
<u>ASSETS</u>							
Cash and cash equivalents	\$ 93,821	\$ 2,127,518	\$ -	\$ 322,527	\$ 89,338	\$ 387,562	\$ 3,953,665
Investments	292,157	2,279,667	-	492,240	54	1,144,263	8,417,944
Receivables:							
Assessments	3,620,000	6,175,000	-	7,543,657	3,815,000	13,270,000	63,587,577
Interest	61	9,452	-	103	-	239	17,716
Accounts	<u>1,752</u>	<u>13,442</u>	<u>-</u>	<u>4,206</u>	<u>1,753</u>	<u>5,690</u>	<u>72,976</u>
Total assets	<u>\$ 4,007,791</u>	<u>\$ 10,605,079</u>	<u>\$ -</u>	<u>\$ 8,362,733</u>	<u>\$ 3,906,145</u>	<u>\$ 14,807,754</u>	<u>\$ 76,049,878</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable	\$ 266	\$ 2,377	\$ -	\$ 755	\$ 308	\$ 1,117	\$ 12,991
Deferred inflows of resources:							
Unavailable revenue - special assessments	<u>3,620,000</u>	<u>6,175,000</u>	<u>-</u>	<u>7,543,657</u>	<u>3,815,000</u>	<u>13,270,000</u>	<u>63,587,577</u>
Total liabilities and deferred inflows of resources	<u>3,620,266</u>	<u>6,177,377</u>	<u>-</u>	<u>7,544,412</u>	<u>3,815,308</u>	<u>13,271,117</u>	<u>63,600,568</u>
Fund balances:							
Restricted	<u>387,525</u>	<u>4,427,702</u>	<u>-</u>	<u>818,321</u>	<u>90,837</u>	<u>1,536,637</u>	<u>12,449,310</u>
Total fund balances	<u>387,525</u>	<u>4,427,702</u>	<u>-</u>	<u>818,321</u>	<u>90,837</u>	<u>1,536,637</u>	<u>12,449,310</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,007,791</u>	<u>\$ 10,605,079</u>	<u>\$ -</u>	<u>\$ 8,362,733</u>	<u>\$ 3,906,145</u>	<u>\$ 14,807,754</u>	<u>\$ 76,049,878</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT							Total
	2C	11	14	16	18	25	Adm	
<u>ASSETS</u>								
Cash and cash equivalents	\$ 657,132	\$ 658,852	\$ 7,356	\$ 1,936,906	50,589	\$ 13,297	\$ 4,498	\$ 3,328,630
Investments	-	-	-	172	303	-	-	475
Total assets	\$ 657,132	\$ 658,852	\$ 7,356	\$ 1,937,078	\$ 50,892	\$ 13,297	\$ 4,498	\$ 3,329,105
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable	\$ 26,119	\$ 197,325	\$ 7,356	\$ -	\$ -	\$ 13,297	\$ 89	\$ 244,186
Contracts payable	-	182,847	-	-	-	-	4,409	187,256
Total liabilities	26,119	380,172	7,356	-	-	13,297	4,498	431,442
Fund balances:								
Restricted	631,013	278,680	-	1,937,078	50,892	-	-	2,897,663
Total fund balances	631,013	278,680	-	1,937,078	50,892	-	-	2,897,663
Total liabilities, deferred inflows of resources and fund balances	\$ 657,132	\$ 658,852	\$ 7,356	\$ 1,937,078	\$ 50,892	\$ 13,297	\$ 4,498	\$ 3,329,105

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:				
Non-ad valorem assessments	\$ 10,147,817	\$ 12,041,102	\$ -	\$ 22,188,919
Intergovernmental revenues	66,215	-	-	66,215
Investment income	64,813	35,609	4,983	105,405
Miscellaneous	101,976	-	-	101,976
Total revenues	<u>10,380,821</u>	<u>12,076,711</u>	<u>4,983</u>	<u>22,462,515</u>
Expenditures:				
Current:				
Physical environment	4,981,520	-	-	4,981,520
Capital outlay	529,873	-	3,172,650	3,702,523
Debt service:				
Principal	599,294	8,533,244	-	9,132,538
Interest	128,846	3,468,576	27,358	3,624,780
Debt issuance costs	-	450,284	-	450,284
Payment to escrow agent	-	12,967,083	-	12,967,083
Other	-	46,036	-	46,036
Total expenditures	<u>6,239,533</u>	<u>25,465,223</u>	<u>3,200,008</u>	<u>34,904,764</u>
Excess (deficiency) of revenues over expenditures	<u>4,141,288</u>	<u>(13,388,512)</u>	<u>(3,195,025)</u>	<u>(12,442,249)</u>
Other financing sources (uses):				
Transfers in	94,556	-	61,246	155,802
Transfers out	(2,810,056)	(2,613)	(170,351)	(2,983,020)
Proceeds from sales/disposals of capital assets	43,652	-	-	43,652
Advances from landowners	74,146	-	141,300	215,446
Repayment to landowners	-	-	(13,297)	(13,297)
Proceeds from refunding bonds	-	12,535,000	-	12,535,000
(Discount)/premium on refunded debt	-	157,808	-	157,808
Total other financing sources (uses)	<u>(2,597,702)</u>	<u>12,690,195</u>	<u>18,898</u>	<u>10,111,391</u>
Net change in fund balances	1,543,586	(698,317)	(3,176,127)	(2,330,858)
Fund balances, beginning of year	<u>11,008,895</u>	<u>13,147,627</u>	<u>6,073,790</u>	<u>30,230,312</u>
Fund balances, end of year	<u>\$ 12,552,481</u>	<u>\$ 12,449,310</u>	<u>\$ 2,897,663</u>	<u>\$ 27,899,454</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT											
	<u>1</u>	<u>2</u>	<u>2A</u>	<u>3</u>	<u>3A</u>	<u>4</u>	<u>5</u>	<u>5A</u>	<u>5B</u>	<u>5C</u>	<u>5D</u>	<u>7</u>
Revenues:												
Non-ad valorem assessments	\$ 125,064	\$ 196,091	\$ 95,735	\$ 221,270	\$ 206,818	\$ 230,066	\$ 121,859	\$ 462,609	\$ 53,776	\$ 5,525	\$ 64,647	\$ 99,879
Intergovernmental revenues	-	-	-	-	-	-	-	-	328	-	15,514	2,451
Investment income	440	1,299	586	13,541	769	1,658	589	2,776	413	42	343	639
Miscellaneous	1,392	9,959	-	350	250	957	-	4,760	-	-	11,429	2,401
Total revenues	<u>126,896</u>	<u>207,349</u>	<u>96,321</u>	<u>235,161</u>	<u>207,837</u>	<u>232,681</u>	<u>122,448</u>	<u>470,145</u>	<u>54,517</u>	<u>5,567</u>	<u>91,933</u>	<u>105,370</u>
Expenditures:												
Current:												
Physical environment	43,429	48,845	14,205	93,878	187,517	66,725	56,045	107,554	11,768	870	39,656	31,443
Capital outlay	2,663	10,003	-	2,935	10,303	10,533	10,018	-	-	-	-	3,379
Debt service:												
Principal	-	-	-	21,728	-	22,872	-	177,000	-	-	-	-
Interest	-	-	-	1,728	-	1,819	-	15,523	-	-	-	-
Total expenditures	<u>46,092</u>	<u>58,848</u>	<u>14,205</u>	<u>120,269</u>	<u>197,820</u>	<u>101,949</u>	<u>66,063</u>	<u>300,077</u>	<u>11,768</u>	<u>870</u>	<u>39,656</u>	<u>34,822</u>
Excess (deficiency) of revenues over expenditures	<u>80,804</u>	<u>148,501</u>	<u>82,116</u>	<u>114,892</u>	<u>10,017</u>	<u>130,732</u>	<u>56,385</u>	<u>170,068</u>	<u>42,749</u>	<u>4,697</u>	<u>52,277</u>	<u>70,548</u>
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(39,980)	(136,996)	(49,853)	(66,146)	(43,434)	(109,993)	(67,087)	(79,609)	(27,501)	(5,940)	(34,311)	(50,209)
Proceeds from sales/disposals of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Advances from landowners	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(39,980)</u>	<u>(136,996)</u>	<u>(49,853)</u>	<u>(66,146)</u>	<u>(43,434)</u>	<u>(109,993)</u>	<u>(67,087)</u>	<u>(79,609)</u>	<u>(27,501)</u>	<u>(5,940)</u>	<u>(34,311)</u>	<u>(50,209)</u>
Net change in fund balances	40,824	11,505	32,263	48,746	(33,417)	20,739	(10,702)	90,459	15,248	(1,243)	17,966	20,339
Fund balances, beginning of year	<u>71,737</u>	<u>368,124</u>	<u>218,310</u>	<u>171,037</u>	<u>233,835</u>	<u>310,135</u>	<u>105,959</u>	<u>433,083</u>	<u>76,131</u>	<u>10,458</u>	<u>84,263</u>	<u>174,880</u>
Fund balances, end of year	<u>\$ 112,561</u>	<u>\$ 379,629</u>	<u>\$ 250,573</u>	<u>\$ 219,783</u>	<u>\$ 200,418</u>	<u>\$ 330,874</u>	<u>\$ 95,257</u>	<u>\$ 523,542</u>	<u>\$ 91,379</u>	<u>\$ 9,215</u>	<u>\$ 102,229</u>	<u>\$ 195,219</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT											
	<u>9</u>	<u>9A</u>	<u>9B</u>	<u>11</u>	<u>12</u>	<u>12A</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>18</u>	<u>19</u>	<u>19A</u>
Revenues:												
Non-ad valorem assessments	\$ 93,372	\$ 537,392	\$ 309,271	\$ 2,025,951	\$ 57,466	\$ 17,735	\$ 494,352	\$ 372,666	\$ 546,990	\$ 1,001,737	\$ 222,020	\$ 24,642
Intergovernmental revenues	-	-	-	2,961	-	-	622	-	-	3,780	-	-
Investment income	573	2,990	2,047	9,223	305	137	1,887	2,012	1,928	3,499	1,239	383
Miscellaneous	-	2,430	15,865	6,114	7,750	-	-	-	1,549	2,524	2,324	-
Total revenues	<u>93,945</u>	<u>542,812</u>	<u>327,183</u>	<u>2,044,249</u>	<u>65,521</u>	<u>17,872</u>	<u>496,861</u>	<u>374,678</u>	<u>550,467</u>	<u>1,011,540</u>	<u>225,583</u>	<u>25,025</u>
Expenditures:												
Current:												
Physical environment	24,012	231,668	153,181	752,612	17,414	2,255	203,124	195,475	370,573	702,753	98,932	8,198
Capital outlay	2,219	30,351	11,098	235,564	2,434	-	13,863	32,855	1,074	20,368	1,718	-
Debt service:												
Principal	-	-	-	294,127	-	-	73,240	-	-	-	-	-
Interest	-	-	-	77,313	-	-	30,671	-	-	-	-	-
Total expenditures	<u>26,231</u>	<u>262,019</u>	<u>164,279</u>	<u>1,359,616</u>	<u>19,848</u>	<u>2,255</u>	<u>320,898</u>	<u>228,330</u>	<u>371,647</u>	<u>723,121</u>	<u>100,650</u>	<u>8,198</u>
Excess (deficiency) of revenues over expenditures	<u>67,714</u>	<u>280,793</u>	<u>162,904</u>	<u>684,633</u>	<u>45,673</u>	<u>15,617</u>	<u>175,963</u>	<u>146,348</u>	<u>178,820</u>	<u>288,419</u>	<u>124,933</u>	<u>16,827</u>
Other financing sources (uses):												
Transfers in	-	91,943	-	-	-	-	-	-	-	-	-	2,059
Transfers out	(49,090)	(127,188)	(91,800)	(386,290)	(36,450)	(8,514)	(170,871)	(109,781)	(80,079)	(181,570)	(83,240)	(6,203)
Proceeds from sales/disposals of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Advances from landowners	-	-	-	-	-	-	-	-	-	316	-	-
Total other financing sources (uses)	<u>(49,090)</u>	<u>(35,245)</u>	<u>(91,800)</u>	<u>(386,290)</u>	<u>(36,450)</u>	<u>(8,514)</u>	<u>(170,871)</u>	<u>(109,781)</u>	<u>(80,079)</u>	<u>(181,254)</u>	<u>(83,240)</u>	<u>(4,144)</u>
Net change in fund balances	18,624	245,548	71,104	298,343	9,223	7,103	5,092	36,567	98,741	107,165	41,693	12,683
Fund balances, beginning of year	<u>172,700</u>	<u>422,371</u>	<u>320,195</u>	<u>1,546,786</u>	<u>94,635</u>	<u>53,083</u>	<u>293,396</u>	<u>255,005</u>	<u>583,541</u>	<u>660,401</u>	<u>246,689</u>	<u>112,644</u>
Fund balances, end of year	<u>\$ 191,324</u>	<u>\$ 667,919</u>	<u>\$ 391,299</u>	<u>\$ 1,845,129</u>	<u>\$ 103,858</u>	<u>\$ 60,186</u>	<u>\$ 298,488</u>	<u>\$ 291,572</u>	<u>\$ 682,282</u>	<u>\$ 767,566</u>	<u>\$ 288,382</u>	<u>\$ 125,327</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT										
	<u>20</u>	<u>21</u>	<u>23</u>	<u>24</u>	<u>27B</u>	<u>29</u>	<u>31</u>	<u>32</u>	<u>32A</u>	<u>33</u>	<u>34</u>
Revenues:											
Non-ad valorem assessments	\$ 34,160	\$ 333,885	\$ 132,592	\$ 233,410	\$ 68,729	\$ 62,418	\$ 526,523	\$ 10,846	\$ 10,831	\$ 11,810	\$ 100,355
Intergovernmental revenues	-	195	-	364	-	-	-	-	-	-	-
Investment income	379	2,324	787	1,928	416	313	1,750	50	53	120	380
Miscellaneous	3,318	250	-	-	-	-	18,792	-	-	-	-
Total revenues	<u>37,857</u>	<u>336,654</u>	<u>133,379</u>	<u>235,702</u>	<u>69,145</u>	<u>62,731</u>	<u>547,065</u>	<u>10,896</u>	<u>10,884</u>	<u>11,930</u>	<u>100,735</u>
Expenditures:											
Current:											
Physical environment	19,460	108,472	93,764	297,602	33,853	11,473	290,093	3,957	3,525	1,237	44,447
Capital outlay	430	358	2,219	515	644	143	120,704	72	-	72	143
Debt service:											
Principal	6,439	-	-	-	-	-	-	-	3,888	-	-
Interest	1,483	-	-	-	-	-	-	-	309	-	-
Total expenditures	<u>27,812</u>	<u>108,830</u>	<u>95,983</u>	<u>298,117</u>	<u>34,497</u>	<u>11,616</u>	<u>410,797</u>	<u>4,029</u>	<u>7,722</u>	<u>1,309</u>	<u>44,590</u>
Excess (deficiency) of revenues over expenditures	<u>10,045</u>	<u>227,824</u>	<u>37,396</u>	<u>(62,415)</u>	<u>34,648</u>	<u>51,115</u>	<u>136,268</u>	<u>6,867</u>	<u>3,162</u>	<u>10,621</u>	<u>56,145</u>
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(8,748)	(107,170)	(52,636)	(72,438)	(28,803)	(13,340)	(109,724)	(3,408)	(648)	(5,975)	(48,259)
Proceeds from sales/disposals of capital assets	43,652	-	-	-	-	-	-	-	-	-	-
Advances from landowners	9,016	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>43,920</u>	<u>(107,170)</u>	<u>(52,636)</u>	<u>(72,438)</u>	<u>(28,803)</u>	<u>(13,340)</u>	<u>(109,724)</u>	<u>(3,408)</u>	<u>(648)</u>	<u>(5,975)</u>	<u>(48,259)</u>
Net change in fund balances	53,965	120,654	(15,240)	(134,853)	5,845	37,775	26,544	3,459	2,514	4,646	7,886
Fund balances, beginning of year	<u>(3,237)</u>	<u>636,091</u>	<u>175,005</u>	<u>683,054</u>	<u>110,543</u>	<u>110,800</u>	<u>355,419</u>	<u>6,163</u>	<u>6,196</u>	<u>45,713</u>	<u>67,627</u>
Fund balances, end of year	<u>\$ 50,728</u>	<u>\$ 756,745</u>	<u>\$ 159,765</u>	<u>\$ 548,201</u>	<u>\$ 116,388</u>	<u>\$ 148,575</u>	<u>\$ 381,963</u>	<u>\$ 9,622</u>	<u>\$ 8,710</u>	<u>\$ 50,359</u>	<u>\$ 75,513</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>38</u>	<u>41</u>	<u>43</u>	<u>44</u>	<u>45</u>	<u>46</u>	<u>47</u>	<u>49</u>	<u>51</u>	<u>Common Area</u>	<u>Total</u>
Revenues:											
Non-ad valorem assessments	\$ 47,062	\$ 5,802	\$ 611,591	\$ 101,047	\$ 131,127	\$ 19,207	\$ 33,448	\$ 76,182	\$ 9,859	\$ -	\$ 10,147,817
Intergovernmental revenues	-	-	40,000	-	-	-	-	-	-	-	66,215
Investment income	1,128	103	2,369	606	878	571	949	351	18	22	64,813
Miscellaneous	-	-	6,250	-	-	-	(659)	3,356	615	-	101,976
Total revenues	<u>48,190</u>	<u>5,905</u>	<u>660,210</u>	<u>101,653</u>	<u>132,005</u>	<u>19,778</u>	<u>33,738</u>	<u>79,889</u>	<u>10,492</u>	<u>22</u>	<u>10,380,821</u>
Expenditures:											
Current:											
Physical environment	34,911	192	406,523	3,613	61,772	1,753	18,567	29,351	2,712	52,111	4,981,520
Capital outlay	143	72	931	286	430	473	716	86	58	-	529,873
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	-	599,294
Interest	-	-	-	-	-	-	-	-	-	-	128,846
Total expenditures	<u>35,054</u>	<u>264</u>	<u>407,454</u>	<u>3,899</u>	<u>62,202</u>	<u>2,226</u>	<u>19,283</u>	<u>29,437</u>	<u>2,770</u>	<u>52,111</u>	<u>6,239,533</u>
Excess (deficiency) of revenues over expenditures	<u>13,136</u>	<u>5,641</u>	<u>252,756</u>	<u>97,754</u>	<u>69,803</u>	<u>17,552</u>	<u>14,455</u>	<u>50,452</u>	<u>7,722</u>	<u>(52,089)</u>	<u>4,141,288</u>
Other financing sources (uses):											
Transfers in	-	554	-	-	-	-	-	-	-	-	94,556
Transfers out	(10,325)	(3,263)	(172,809)	(29,613)	(41,011)	(8,842)	(18,788)	(22,737)	(7,330)	(2,054)	(2,810,056)
Proceeds from sales/disposals of capital assets	-	-	-	-	-	-	-	-	-	-	43,652
Advances from landowners	-	-	-	-	-	-	-	-	-	64,814	74,146
Total other financing sources (uses)	<u>(10,325)</u>	<u>(2,709)</u>	<u>(172,809)</u>	<u>(29,613)</u>	<u>(41,011)</u>	<u>(8,842)</u>	<u>(18,788)</u>	<u>(22,737)</u>	<u>(7,330)</u>	<u>62,760</u>	<u>(2,597,702)</u>
Net change in fund balances	2,811	2,932	79,947	68,141	28,792	8,710	(4,333)	27,715	392	10,671	1,543,586
Fund balances, beginning of year	<u>434,362</u>	<u>27,290</u>	<u>394,491</u>	<u>170,055</u>	<u>188,983</u>	<u>73,615</u>	<u>399,985</u>	<u>92,499</u>	<u>-</u>	<u>14,843</u>	<u>11,008,895</u>
Fund balances, end of year	<u>\$ 437,173</u>	<u>\$ 30,222</u>	<u>\$ 474,438</u>	<u>\$ 238,196</u>	<u>\$ 217,775</u>	<u>\$ 82,325</u>	<u>\$ 395,652</u>	<u>\$ 120,214</u>	<u>\$ 392</u>	<u>\$ 25,514</u>	<u>\$ 12,552,481</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT									
	<u>2A</u>	<u>3A</u>	<u>5A</u>	<u>5B</u>	<u>5C</u>	<u>5D</u>	<u>16</u>	<u>18</u>	<u>19</u>	<u>19A</u>
Revenues:										
Non-ad valorem assessments	\$ 1,665,987	\$ 403,322	\$ 380,191	\$ 452,624	\$ 368,570	\$ 371,207	\$ 803,162	\$ 2,811,986	\$ 315,879	\$ 56,360
Investment income	<u>1,632</u>	<u>908</u>	<u>837</u>	<u>1,582</u>	<u>693</u>	<u>923</u>	<u>1,658</u>	<u>13,619</u>	<u>534</u>	<u>132</u>
Total revenues	<u>1,667,619</u>	<u>404,230</u>	<u>381,028</u>	<u>454,206</u>	<u>369,263</u>	<u>372,130</u>	<u>804,820</u>	<u>2,825,605</u>	<u>316,413</u>	<u>56,492</u>
Expenditures:										
Debt service:										
Principal	1,337,450	190,000	415,000	295,000	320,000	290,000	265,000	2,720,000	214,724	54,957
Interest	332,800	215,150	30,530	195,084	53,800	91,856	337,175	275,780	105,498	2,260
Debt issuance costs	234,757	-	-	-	-	-	215,527	-	-	-
Payment to escrow agent	5,111,089	-	-	-	-	-	7,855,994	-	-	-
Other	<u>6,351</u>	<u>1,508</u>	<u>1,398</u>	<u>1,701</u>	<u>1,391</u>	<u>1,398</u>	<u>3,051</u>	<u>10,604</u>	<u>1,196</u>	<u>554</u>
Total expenditures	<u>7,022,447</u>	<u>406,658</u>	<u>446,928</u>	<u>491,785</u>	<u>375,191</u>	<u>383,254</u>	<u>8,676,747</u>	<u>3,006,384</u>	<u>321,418</u>	<u>57,771</u>
Excess (deficiency) of revenues over expenditures	<u>(5,354,828)</u>	<u>(2,428)</u>	<u>(65,900)</u>	<u>(37,579)</u>	<u>(5,928)</u>	<u>(11,124)</u>	<u>(7,871,927)</u>	<u>(180,779)</u>	<u>(5,005)</u>	<u>(1,279)</u>
Other financing sources (uses):										
Transfers out	-	-	-	-	-	-	-	-	-	(2,059)
Proceeds from refunding bonds	4,835,000	-	-	-	-	-	7,700,000	-	-	-
(Discount)/premium on refunded debt	<u>(4,721)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,529</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>4,830,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,862,529</u>	<u>-</u>	<u>-</u>	<u>(2,059)</u>
Net change in fund balances	(524,549)	(2,428)	(65,900)	(37,579)	(5,928)	(11,124)	(9,398)	(180,779)	(5,005)	(3,338)
Fund balances, beginning of year	<u>635,915</u>	<u>114,326</u>	<u>97,602</u>	<u>685,616</u>	<u>33,429</u>	<u>59,822</u>	<u>1,081,871</u>	<u>3,264,212</u>	<u>58,185</u>	<u>3,338</u>
Fund balances, end of year	<u>\$ 111,366</u>	<u>\$ 111,898</u>	<u>\$ 31,702</u>	<u>\$ 648,037</u>	<u>\$ 27,501</u>	<u>\$ 48,698</u>	<u>\$ 1,072,473</u>	<u>\$ 3,083,433</u>	<u>\$ 53,180</u>	<u>\$ -</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS

(Continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT						Total
	27B	31	41	44	45	46	
Revenues:							
Non-ad valorem assessments	\$ 286,951	\$2,205,061	\$25,166	\$ 688,223	\$ 284,756	\$ 921,657	\$ 12,041,102
Investment income	534	8,208	62	1,524	1,064	1,699	35,609
Total revenues	<u>287,485</u>	<u>2,213,269</u>	<u>25,228</u>	<u>689,747</u>	<u>285,820</u>	<u>923,356</u>	<u>12,076,711</u>
Expenditures:							
Debt service:							
Principal	125,000	1,830,000	23,704	182,409	115,000	155,000	8,533,244
Interest	158,130	347,110	1,258	378,369	169,713	774,063	3,468,576
Debt issuance costs	-	-	-	-	-	-	450,284
Payment to escrow agent	-	-	-	-	-	-	12,967,083
Other	1,086	8,333	243	2,607	1,087	3,528	46,036
Total expenditures	<u>284,216</u>	<u>2,185,443</u>	<u>25,205</u>	<u>563,385</u>	<u>285,800</u>	<u>932,591</u>	<u>25,465,223</u>
Excess (deficiency) of revenues over expenditures	<u>3,269</u>	<u>27,826</u>	<u>23</u>	<u>126,362</u>	<u>20</u>	<u>(9,235)</u>	<u>(13,388,512)</u>
Other financing sources (uses):							
Transfers out	-	-	(554)	-	-	-	(2,613)
Proceeds from refunding bonds	-	-	-	-	-	-	12,535,000
(Discout)/premium on refunded debt	-	-	-	-	-	-	157,808
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(554)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,690,195</u>
Net change in fund balances	3,269	27,826	(531)	126,362	20	(9,235)	(698,317)
Fund balances, beginning of year	<u>384,256</u>	<u>4,399,876</u>	<u>531</u>	<u>691,959</u>	<u>90,817</u>	<u>1,545,872</u>	<u>13,147,627</u>
Fund balances, end of year	<u>\$ 387,525</u>	<u>\$4,427,702</u>	<u>\$ -</u>	<u>\$ 818,321</u>	<u>\$ 90,837</u>	<u>\$1,536,637</u>	<u>\$ 12,449,310</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	UNIT OF DEVELOPMENT								Total
	<u>2C</u>	<u>9A</u>	<u>11</u>	<u>14</u>	<u>16</u>	<u>18</u>	<u>25</u>	<u>Adm</u>	
Revenues:									
Investment income	\$ 1,068	\$ 167	\$ 1,893	\$ 800	\$ 765	\$ 153	\$ 23	\$ 114	\$ 4,983
Total revenues	<u>1,068</u>	<u>167</u>	<u>1,893</u>	<u>800</u>	<u>765</u>	<u>153</u>	<u>23</u>	<u>114</u>	<u>4,983</u>
Expenditures:									
Capital outlay	167,737	4,132	1,573,737	1,256,536	496	132	-	169,880	3,172,650
Debt service:									
Interest	<u>27,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,358</u>
Total expenditures	<u>195,095</u>	<u>4,132</u>	<u>1,573,737</u>	<u>1,256,536</u>	<u>496</u>	<u>132</u>	<u>-</u>	<u>169,880</u>	<u>3,200,008</u>
Excess (deficiency) of revenues over expenditures	<u>(194,027)</u>	<u>(3,965)</u>	<u>(1,571,844)</u>	<u>(1,255,736)</u>	<u>269</u>	<u>21</u>	<u>23</u>	<u>(169,766)</u>	<u>(3,195,025)</u>
Other financing sources (uses):									
Transfers in	-	-	-	58,803	-	-	-	2,443	61,246
Transfers out	(9,978)	(94,974)	(31,549)	(29,779)	(328)	(179)	(2)	(3,562)	(170,351)
Advances from landowners	141,300	-	-	-	-	-	-	-	141,300
Repayment to landowners	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,297)</u>	<u>-</u>	<u>(13,297)</u>
Total other financing sources (uses)	<u>131,322</u>	<u>(94,974)</u>	<u>(31,549)</u>	<u>29,024</u>	<u>(328)</u>	<u>(179)</u>	<u>(13,299)</u>	<u>(1,119)</u>	<u>18,898</u>
Net change in fund balances	(62,705)	(98,939)	(1,603,393)	(1,226,712)	(59)	(158)	(13,276)	(170,885)	(3,176,127)
Fund balances, beginning of year	<u>693,718</u>	<u>98,939</u>	<u>1,882,073</u>	<u>1,226,712</u>	<u>1,937,137</u>	<u>51,050</u>	<u>13,276</u>	<u>170,885</u>	<u>6,073,790</u>
Fund balances, end of year	<u>\$ 631,013</u>	<u>\$ -</u>	<u>\$ 278,680</u>	<u>\$ -</u>	<u>\$ 1,937,078</u>	<u>\$ 50,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,897,663</u>

**OTHER SUPPLEMENTARY FINANCIAL
DATA AND SCHEDULES
(SUPPLEMENTARY INFORMATION)**

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINED SCHEDULE OF BONDS PAYABLE

SEPTEMBER 30, 2013

<u>Special Assessment Debt with Government Commitment</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Annual Debt Service Requirement</u>	<u>Authorized</u>	<u>Issued</u>	<u>Cumulative Retirements</u>	<u>Outstanding</u>
<u>Unit of Development No.</u>								
2 A Water Control and Improvement Refunding Bonds - Series 2013	2.00% - 5.25%	8/7/2013	8/7/2033	Exhibit A-1	\$ 4,835,000	\$ 4,835,000	\$ -	\$ 4,835,000
3 A Water Control and Improvement Bonds - Series 2004A & 2004B	3.25% - 5.375%	3/31/2004	8/1/2027	Exhibit A-2	5,595,000	5,595,000	1,550,000	4,045,000
5 A Water Control and Improvement Bonds - Series 2007	4.30%	1/25/2007	8/1/2014	Exhibit A-3	2,000,000	2,000,000	1,705,000	295,000
5 B Water Control and Improvement Refunding Bonds - Series 2005	3.50% - 4.25%	8/17/2005	8/1/2025	Exhibit A-4	7,370,000	6,440,000	1,860,000	4,580,000
5 C Water Control and Improvement Refunding Bonds - Series 2006	4.00%	11/16/2006	8/1/2016	Exhibit A-5	6,082,537	3,080,000	2,055,000	1,025,000
5 D Water Control and Improvement Refunding Bonds - Series 2006	4.00% - 4.125%	11/16/2006	8/1/2019	Exhibit A-6	5,557,500	3,870,000	1,875,000	1,995,000
9 A Water Control and Improvement Refunding Bonds - Series 2013	2.96%	5/3/2013	8/1/2027	Exhibit A-7	32,064,999	32,064,999	-	32,064,999
9 B Water Control and Improvement Refunding Bonds - Series 2005	4.00% - 5.00%	4/20/2005	8/1/2029	Exhibit A-8	44,629,432	25,805,000	5,980,000	19,825,000
16 Water Control and Improvement Refunding Bonds - Series 2013	5.125% - 5.75%	11/15/2012	8/1/2032	Exhibit A-9	7,700,000	7,700,000	265,000	7,435,000
18 Water Control and Improvement Refunding Bonds - Series 1998	5.00%	3/1/1998	8/1/2014	Exhibit A-10	33,980,000	33,980,000	31,130,000	2,850,000
19 Water Control and Improvement Refunding Bonds - Series 2007	4.55%	3/29/2007	8/1/2021	Exhibit A-11	3,259,735	3,259,735	1,155,815	2,103,920
27 B Water Control and Improvement Refunding Bonds - Series 2012	3.00% - 4.75%	7/25/2012	8/1/2032	Exhibit A-12	3,745,000	3,745,000	125,000	3,620,000
31 Water Control and Improvement Refunding Bonds - Series 2003	4.00%	10/8/2003	11/1/2013	Exhibit A-13	6,360,000	6,360,000	5,635,000	725,000
31 Water Control and Improvement Refunding Bonds - Series 2001	5.00% - 5.125%	4/15/2001	11/1/2015	Exhibit A-14	14,190,000	14,190,000	8,740,000	5,450,000
43 Water Control and Improvement Bonds - Series 2003	4.80%	1/22/2003	8/1/2014	Exhibit A-15	736,826	736,826	653,070	83,756
43 Water Control and Improvement Refunding Bonds - Series 2007A	4.55%	3/29/2007	8/1/2021	Exhibit A-16	6,680,000	6,680,000	1,265,000	5,415,000
43 Water Control and Improvement Refunding Bonds - Series 2007B	4.25%-5.00%	4/26/2007	8/1/2031	Exhibit A-17	13,345,000	13,345,000	495,000	12,850,000
44 Water Control and Improvement Refunding Bonds - Series 2012	1.50%-4.50%	9/20/2012	8/1/2031	Exhibit A-18	4,540,000	4,540,000	-	4,540,000
44 Water Control and Improvement Refunding Bonds - Series 2010B	6.51%	3/31/2010	8/1/2024	Exhibit A-19	3,445,280	3,445,280	441,623	3,003,657
45 Water Control and Improvement Refunding Bonds - Series 2006	4.00% - 4.50%	11/16/2006	8/1/2033	Exhibit A-20	6,750,000	4,600,000	785,000	3,815,000
46 Water Control and Improvement Bonds - Series 2007A	5.35%	4/30/2007	8/1/2041	Exhibit A-21	11,500,000	11,500,000	-	11,500,000
46 Water Control and Improvement Bonds - Series 2007B	8.25%	4/30/2007	8/1/2021	Exhibit A-22	2,320,000	2,320,000	550,000	1,770,000
Totals					\$ 226,686,309	\$ 200,091,840	\$ 66,265,508	\$ 133,826,332

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$4,835,000

Water Control and Improvement Refunding Bonds, Series 2013

Unit of Development No. 2A

Dated August 7, 2013

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	165,000	214,625	379,625
2015	170,000	214,963	384,963
2016	175,000	209,863	384,863
2017	180,000	204,613	384,613
2018	185,000	199,213	384,213
2019	190,000	191,813	381,813
2020	195,000	184,213	379,213
2021	210,000	176,413	386,413
2022	215,000	168,013	383,013
2023	220,000	159,413	379,413
2024	230,000	150,613	380,613
2025	245,000	139,113	384,113
2026	260,000	126,863	386,863
2027	270,000	113,863	383,863
2028	280,000	100,363	380,363
2029	295,000	86,363	381,363
2030	310,000	70,875	380,875
2031	330,000	54,600	384,600
2032	345,000	37,275	382,275
2033	365,000	19,163	384,163
	<u>\$4,835,000</u>	<u>\$2,822,233</u>	<u>\$ 7,657,233</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$5,595,000

Water Control and Improvement Bonds, Series 2004A & 2004B

Unit of Development No. 3A

Dated March 31, 2004

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	195,000	209,450	404,450
2015	215,000	203,113	418,113
2016	220,000	195,381	415,381
2017	235,000	183,556	418,556
2018	245,000	170,925	415,925
2019	260,000	157,756	417,756
2020	275,000	143,781	418,781
2021	290,000	129,000	419,000
2022	305,000	113,413	418,413
2023	325,000	97,019	422,019
2024	340,000	79,550	419,550
2025	360,000	61,275	421,275
2026	380,000	41,925	421,925
2027	400,000	21,500	421,500
	<u>\$4,045,000</u>	<u>\$1,807,644</u>	<u>\$ 5,852,644</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$2,000,000
 Water Control and Improvement Bonds, Series 2007
 Unit of Development No. 5A
 Dated January 25, 2007

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	<u>295,000</u>	<u>12,685</u>	<u>307,685</u>
	<u>\$ 295,000</u>	<u>\$ 12,685</u>	<u>\$ 307,685</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$6,440,000

Water Control and Improvement Refunding Bonds, Series 2005

Unit of Development No. 5B

Dated August 17, 2005

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	300,000	185,054	485,054
2015	315,000	174,554	489,554
2016	330,000	161,954	491,954
2017	340,000	149,744	489,744
2018	355,000	136,144	491,144
2019	370,000	121,944	491,944
2020	385,000	107,144	492,144
2021	400,000	91,744	491,744
2022	415,000	75,344	490,344
2023	435,000	58,225	493,225
2024	460,000	39,738	499,738
2025	475,000	20,188	495,188
	<u>\$4,580,000</u>	<u>\$1,321,777</u>	<u>\$ 5,901,777</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,080,000

Water Control and Improvement Refunding Bonds, Series 2006

Unit of Development No. 5C

Dated November 16, 2006

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	330,000	41,000	371,000
2015	340,000	27,800	367,800
2016	<u>355,000</u>	<u>14,200</u>	<u>369,200</u>
	<u>\$1,025,000</u>	<u>\$ 83,000</u>	<u>\$ 1,108,000</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,870,000

Water Control and Improvement Refunding Bonds, Series 2006

Unit of Development No. 5D

Dated November 16, 2006

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	300,000	80,256	380,256
2015	315,000	68,256	383,256
2016	325,000	55,656	380,656
2017	340,000	42,656	382,656
2018	350,000	29,056	379,056
2019	<u>365,000</u>	<u>15,056</u>	<u>380,056</u>
	<u>\$ 1,995,000</u>	<u>\$ 290,936</u>	<u>\$ 2,285,936</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$32,064,999

Water Control and Improvement Refunding Bonds, Series 2013

Unit of Development No. 9A

Dated May 3, 2013

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	1,881,739	949,124	2,830,863
2015	1,937,439	893,424	2,830,863
2016	1,994,787	836,076	2,830,863
2017	2,053,832	777,031	2,830,863
2018	2,114,626	716,237	2,830,863
2019	2,177,218	653,644	2,830,862
2020	2,241,664	589,199	2,830,863
2021	2,308,017	522,845	2,830,862
2022	2,376,335	454,528	2,830,863
2023	2,446,674	384,189	2,830,863
2024	2,519,096	311,767	2,830,863
2025	2,593,661	237,202	2,830,863
2026	2,670,433	160,429	2,830,862
2027	2,749,478	81,385	2,830,863
	<u>\$ 32,064,999</u>	<u>\$ 7,567,080</u>	<u>\$ 39,632,079</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$25,805,000

Water Control and Improvement Refunding Bonds, Series 2005

Unit of Development No. 9B

Dated April 20, 2005

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	880,000	938,798	1,818,798
2015	915,000	903,598	1,818,598
2016	945,000	866,998	1,811,998
2017	985,000	829,198	1,814,198
2018	1,025,000	788,813	1,813,813
2019	1,065,000	745,763	1,810,763
2020	1,115,000	700,500	1,815,500
2021	1,170,000	644,750	1,814,750
2022	1,230,000	586,250	1,816,250
2023	1,290,000	524,750	1,814,750
2024	1,355,000	460,250	1,815,250
2025	1,420,000	392,500	1,812,500
2026	1,495,000	321,500	1,816,500
2027	1,565,000	246,750	1,811,750
2028	1,645,000	168,500	1,813,500
2029	1,725,000	86,250	1,811,250
	<u>\$ 19,825,000</u>	<u>\$ 9,205,168</u>	<u>\$ 29,030,168</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$7,435,000

Water Control and Improvement Refunding Bonds, Series 2012

Unit of Development No. 16

Dated October 11, 2012

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	325,000	404,981	729,981
2015	340,000	388,325	728,325
2016	355,000	370,900	725,900
2017	375,000	352,706	727,706
2018	395,000	333,488	728,488
2019	420,000	313,244	733,244
2020	440,000	291,719	731,719
2021	465,000	269,169	734,169
2022	490,000	245,338	735,338
2023	515,000	220,225	735,225
2024	550,000	190,613	740,613
2025	280,000	158,988	438,988
2026	300,000	142,888	442,888
2027	315,000	125,638	440,638
2028	330,000	107,525	437,525
2029	350,000	88,550	438,550
2030	375,000	68,425	443,425
2031	395,000	46,863	441,863
2032	420,000	24,150	444,150
	<u>\$7,435,000</u>	<u>\$4,143,735</u>	<u>\$11,578,735</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$33,980,000
 Water Control and Improvement Refunding Bonds, Series 1998
 Unit of Development No. 18
 Dated March 1, 1998

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	<u>2,850,000</u>	<u>142,500</u>	<u>2,992,500</u>
	<u>\$ 2,850,000</u>	<u>\$ 142,500</u>	<u>\$ 2,992,500</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,259,735

Water Control and Improvement Refunding Bonds, Series 2007

Unit of Development No. 19

Dated March 29, 2007

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	226,357	95,728	322,085
2015	232,647	85,429	318,076
2016	243,593	74,844	318,437
2017	254,121	63,760	317,881
2018	269,218	52,198	321,416
2019	278,774	39,948	318,722
2020	292,854	27,264	320,118
2021	<u>306,356</u>	<u>13,939</u>	<u>320,295</u>
	<u>\$2,103,920</u>	<u>\$ 453,110</u>	<u>\$ 2,557,030</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,745,000

Water Control and Improvement Refunding Bonds, Series 2012

Unit of Development No. 27B

Dated July 25, 2012

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	130,000	151,788	281,788
2015	135,000	147,888	282,888
2016	140,000	143,838	283,838
2017	145,000	139,638	284,638
2018	150,000	134,925	284,925
2019	155,000	129,675	284,675
2020	160,000	124,056	284,056
2021	165,000	117,656	282,656
2022	175,000	111,056	286,056
2023	180,000	103,838	283,838
2024	190,000	95,963	285,963
2025	200,000	87,650	287,650
2026	210,000	78,900	288,900
2027	220,000	69,713	289,713
2028	230,000	60,088	290,088
2029	240,000	49,163	289,163
2030	255,000	37,763	292,763
2031	265,000	25,650	290,650
2032	275,000	13,063	288,063
	<u>\$ 3,620,000</u>	<u>\$ 1,822,311</u>	<u>\$ 5,442,311</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$6,360,000
 Water Control and Improvement Refunding Bonds, Series 2003
 Unit of Development No. 31
 Dated October 8, 2003

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	<u>725,000</u>	<u>14,500</u>	<u>739,500</u>
	<u>\$ 725,000</u>	<u>\$ 14,500</u>	<u>\$ 739,500</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$14,190,000

Water Control and Improvement Refunding Bonds, Series 2001

Unit of Development No. 31

Dated April 15, 2001

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2014	1,195,000	247,425	1,442,425
2015	2,075,000	164,638	2,239,638
2016	<u>2,180,000</u>	<u>55,863</u>	<u>2,235,863</u>
	<u>\$ 5,450,000</u>	<u>\$ 467,926</u>	<u>\$ 5,917,926</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$736,826
 Water Control and Improvement Bonds, Series 2003
 Unit of Development No. 43
 Dated January 22, 2003

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	<u>83,756</u>	<u>4,020</u>	<u>87,776</u>
	<u>\$ 83,756</u>	<u>\$ 4,020</u>	<u>\$ 87,776</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$6,680,000

Water Control and Improvement Refunding Bonds, Series 2007A

Unit of Development No. 43

Dated March 29, 2007

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	575,000	246,383	821,383
2015	600,000	220,220	820,220
2016	630,000	192,920	822,920
2017	660,000	164,255	824,255
2018	685,000	134,225	819,225
2019	720,000	103,058	823,058
2020	755,000	70,298	825,298
2021	790,000	35,945	825,945
	<u>\$5,415,000</u>	<u>\$1,167,304</u>	<u>\$ 6,582,304</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$13,345,000

Water Control and Improvement Refunding Bonds, Series 2007B

Unit of Development No. 43

Dated April 26, 2007

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	15,000	601,688	616,688
2015	105,000	601,050	706,050
2016	105,000	596,588	701,588
2017	110,000	592,125	702,125
2018	120,000	587,450	707,450
2019	125,000	582,350	707,350
2020	130,000	576,725	706,725
2021	135,000	570,875	705,875
2022	965,000	564,800	1,529,800
2023	1,010,000	521,375	1,531,375
2024	1,055,000	475,925	1,530,925
2025	1,105,000	428,450	1,533,450
2026	1,160,000	378,725	1,538,725
2027	1,215,000	322,919	1,537,919
2028	1,275,000	264,456	1,539,456
2029	1,340,000	203,106	1,543,106
2030	1,405,000	138,619	1,543,619
2031	1,475,000	70,994	1,545,994
	<u>\$ 12,850,000</u>	<u>\$ 8,078,220</u>	<u>\$ 20,928,220</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$4,540,000

Water Control and Improvement Refunding Bonds, Series 2012

Unit of Development No. 44

Dated September 20, 2012

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	20,000	194,556	214,556
2015	20,000	194,256	214,256
2016	20,000	193,906	213,906
2017	20,000	193,506	213,506
2018	25,000	193,031	218,031
2019	25,000	192,356	217,356
2020	25,000	191,575	216,575
2021	25,000	190,750	215,750
2022	25,000	189,875	214,875
2023	25,000	188,938	213,938
2024	220,000	187,938	407,938
2025	510,000	178,588	688,588
2026	535,000	156,913	691,913
2027	560,000	134,175	694,175
2028	580,000	110,375	690,375
2029	605,000	85,725	690,725
2030	635,000	58,500	693,500
2031	665,000	29,925	694,925
	<u>\$4,540,000</u>	<u>\$2,864,888</u>	<u>\$ 7,404,888</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,445,280

Water Control and Improvement Refunding Bonds, Series 2010B

Unit of Development No. 44

Dated March 31, 2010

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	194,449	198,254	392,703
2015	207,284	185,419	392,703
2016	220,495	172,208	392,703
2017	235,519	157,184	392,703
2018	251,064	141,639	392,703
2019	267,635	125,068	392,703
2020	285,006	107,697	392,703
2021	304,112	88,591	392,703
2022	324,185	68,518	392,703
2023	345,582	47,121	392,703
2024	368,326	24,378	392,704
	<u>\$3,003,657</u>	<u>\$1,316,077</u>	<u>\$ 4,319,734</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$4,600,000

Water Control and Improvement Refunding Bonds, Series 2006

Unit of Development No. 45

Dated November 16, 2006

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	125,000	165,113	290,113
2015	130,000	160,113	290,113
2016	135,000	154,913	289,913
2017	140,000	149,513	289,513
2018	145,000	143,913	288,913
2019	150,000	138,113	288,113
2020	160,000	131,925	291,925
2021	165,000	125,325	290,325
2022	170,000	118,313	288,313
2023	180,000	111,088	291,088
2024	190,000	103,438	293,438
2025	195,000	95,125	290,125
2026	205,000	86,594	291,594
2027	215,000	77,625	292,625
2028	225,000	67,950	292,950
2029	235,000	57,825	292,825
2030	245,000	47,250	292,250
2031	260,000	36,225	296,225
2032	265,000	24,525	289,525
2033	280,000	12,600	292,600
	<u>\$3,815,000</u>	<u>\$2,007,486</u>	<u>\$ 5,822,486</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$11,500,000
 Water Control and Improvement Bonds, Series 2007A
 Unit of Development No. 46
 Dated April 30, 2007

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	-	615,250	615,250
2015	-	615,250	615,250
2016	-	615,250	615,250
2017	-	615,250	615,250
2018	-	615,250	615,250
2019	-	615,250	615,250
2020	-	615,250	615,250
2021	300,000	615,250	915,250
2022	320,000	599,200	919,200
2023	340,000	582,080	922,080
2024	360,000	563,890	923,890
2025	375,000	544,630	919,630
2026	400,000	524,568	924,568
2027	420,000	503,168	923,168
2028	445,000	480,698	925,698
2029	470,000	456,890	926,890
2030	495,000	431,745	926,745
2031	520,000	405,263	925,263
2032	550,000	377,443	927,443
2033	580,000	348,018	928,018
2034	610,000	316,988	926,988
2035	645,000	284,353	929,353
2036	680,000	249,845	929,845
2037	720,000	213,465	933,465
2038	755,000	174,945	929,945
2039	800,000	134,553	934,553
2040	845,000	91,753	936,753
2041	870,000	46,545	916,545
	<u>\$ 11,500,000</u>	<u>\$ 12,252,040</u>	<u>\$ 23,752,040</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$2,320,000

Water Control and Improvement Bonds, Series 2007B

Unit of Development No. 46

Dated April 30, 2007

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2014	170,000	146,025	316,025
2015	185,000	132,000	317,000
2016	200,000	116,738	316,738
2017	215,000	100,238	315,238
2018	235,000	82,500	317,500
2019	255,000	63,113	318,113
2020	275,000	42,075	317,075
2021	235,000	19,388	254,388
	<u>\$1,770,000</u>	<u>\$ 702,077</u>	<u>\$ 2,472,077</u>

REPORTING SECTION



**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***

Board of Supervisors and Executive Director
Northern Palm Beach County Improvement District
Palm Beach Gardens, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northern Palm Beach County Improvement District (the District), as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 and correct, 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

-86-



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
February 28, 2014



**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

Board of Supervisors and Executive Director
Northern Palm Beach County Improvement District
Palm Beach Gardens, Florida

We have audited the financial statements of the Northern Palm Beach County Improvement District ("the District") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated February 28, 2014.

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 and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, which are dated February 28, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs 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 recommendations made in the prior year 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.

-88-



- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., 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 by Chapter 59-994, Florida Statutes and codified pursuant to Chapter 2000-467 Laws of Florida and supplemented by Chapter 2005-238 Laws of Florida. There are no component units.
- Section 10.554(1)(i)6.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 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 did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.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, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.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. The financial condition assessment was done as of fiscal year end.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

West Palm Beach, FL
February 28, 2014

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APPENDIX F

FORM OF BOND COUNSEL OPINION

_____, 2014

Northern Palm Beach County Improvement District
Palm Beach County, Florida

RE: Northern Palm Beach County Improvement District
\$ _____ Water Control and Improvement Bonds,
Unit of Development No. 2C, Series 2014

Ladies and Gentlemen:

I have acted as bond counsel in connection with the issuance and sale by Northern Palm Beach County Improvement District (the "District") of its \$ _____ aggregate principal amount Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2014 (the "Bonds"). The Bonds are issued pursuant to the Constitution and Laws of the State of Florida, particularly Chapter 2000-467, Laws of Florida, as amended, applicable portions of Chapter 298, Florida Statutes (collectively, the "Act"), and a General Bond Resolution adopted by the District on March 26, 2014, as supplemented (the "Resolution"). All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

In rendering the opinions set forth herein, I have examined a certified copy of the Resolution and am relying on the representations, covenants and agreements of the District contained therein, including, without limitation, the covenant of the District contained in the Resolution to comply with the applicable requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended, and all temporary, proposed or permanent implementing regulations promulgated thereunder or applicable thereto (the "Code") to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes.

As to questions of fact material to my opinion I have relied upon representations of the District contained in the Resolution and upon other certifications, agreements, documents, and opinions of public officials and other officers and representatives of the various parties participating in this transaction, furnished to me, without undertaking to verify the same by independent investigation. In addition to the foregoing I have examined and relied upon the opinion of Caldwell Pacetti Edwards Schoech & Viator LLP, general counsel to the District as to the matters addressed therein. I have assumed the genuineness of all signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

This opinion shall not be deemed or treated as an offering circular, prospectus or official statement, and is not intended in any way to be a disclosure document used in connection with the sale or delivery of the Bonds. I have not been engaged to and therefore express no opinion as to the compliance by the District or the underwriter with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Bonds.

The opinions set forth below are expressly limited to, and I opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon and subject to the foregoing, I am of the opinion as of the date hereof and under existing law, as follows:

1. The Resolution, including the lien on and pledge of Drainage Taxes therein, constitutes a valid and binding obligation of the District, enforceable in accordance with its terms.
2. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Resolution.
3. The interest on the Bonds is excluded from gross income of the Owners thereof for federal income tax purposes and is not an item of tax preference described in Section 57 of the Code for purposes of the federal alternative minimum tax imposed on individuals and corporations. It is to be noted that with respect to certain corporations such interest may be required to be taken into account in determining adjusted current earnings for purposes of calculating the alternative minimum taxable income of such corporations. The opinions expressed in the first sentence of this paragraph are conditioned upon continuing compliance by the District with various covenants contained in the Resolution, including, without limitation, its covenant to comply with applicable requirements of the Code necessary in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes. Failure by the District to comply with such requirements could cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Other provisions of the Code may give rise to collateral federal income tax consequences (which may be adverse) to particular Owners. This opinion is limited to matters expressly addressed above and no opinion is expressed herein regarding other federal tax consequences that may arise due to ownership of the Bonds.

My opinions expressed herein are predicated upon present laws and interpretations thereof. I assume no affirmative obligation with respect to any change of circumstances or law (including laws that may result from legislation pending before Congress) that may adversely affect the tax-exempt status of interest on the Bonds after the date hereof.

It is to be understood that the rights of Owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights, heretofore or hereinafter enacted, to the extent constitutionally applicable, and that their enforcement may also be subject to equitable principles that may affect remedies or other equitable relief, or to the exercise of judicial discretion in appropriate cases.

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "Disclosure Agreement") dated as of [____], 2014 is executed and delivered by the **KH ALTON LLC** a Florida limited liability company ("Developer"), and **LERNER REPORTING SERVICES, INC.**, a Florida corporation (the "Dissemination Agent") in connection with the issuance of \$[____] Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2014 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted on March 26, 2014, as supplemented, (the "Resolution") by the Northern Palm Beach County Improvement District (the "Issuer"), and such Bonds will be secured by non-ad valorem special assessments levied by the Issuer (the "Assessments") against certain real property within Unit of Development No. 2C of the Issuer (the "Development"). The Developer and the Dissemination Agent covenant and agree as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer and the Dissemination Agent for the benefit of the Owners of the Bonds, from time to time, to assist the Participating Underwriter in complying with the applicable provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "Rule"). The Developer and the Dissemination Agent have no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction or a governmental regulatory agency that the Rule requires the Developer or the Dissemination Agent (as the case may be) to provide additional information, the Developer and the Dissemination Agent, as applicable, agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Resolution with respect to reports, filings and notifications provided for therein, and do not in any way relieve the Issuer, The Bank of New York Trust Company, N.A., who is serving as Trustee under the Resolution (the "Trustee"), or any other person of any covenant, agreement or obligation under the Resolution (or remove any of the benefits thereof) nor shall anything herein prohibit the Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Resolution or any applicable law.

2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Assessments" shall mean the non ad-valorem special assessments pledged to the payment of the Bonds pursuant to the Resolution.

"Business Day" means any day other than a Saturday, Sunday or a nationally recognized and observed holiday.

"Developer Report" shall mean any Developer Report provided by the Developer or its successors or assigns pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Development" shall mean that mixed use community known as "Alton" as more fully described in the Official Statement and which is being developed by the Developer.

"Dissemination Agent" shall mean Lerner Reporting Services, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by an amendment to this Disclosure Agreement.

"EMMA" means the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"MSRB" shall mean the Municipal Securities Rulemaking Board, c/o CDINet, 1900 Duke Street, Suite 600, Alexandria, VA 22314.

"MSRB Website" shall mean www.emma.msrb.org.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds, which person(s) shall include, for purposes of this Disclosure Agreement only, the Developer for so long as the Developer is the owner of the Development or otherwise owns, controls, or is affiliated with other entities (the "Affiliates") that collectively are the owners of (or are responsible for developing as the case may be) at least twenty percent (20%) of the lands which have been determined by the Issuer to be lands within the Development benefited by the project financed with proceeds of the Bonds or are responsible for payment of at least twenty percent (20%) of the Assessments.

"Owners" shall have the meaning ascribed thereto in the Resolution with respect to the Bonds and shall include beneficial owners of the Bonds, including those that have the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or are treated as the owner of any Bonds for federal income tax purposes.

"Official Statement" shall mean the final Official Statement dated as of [_____], 2014 and relating to the Issuer's issuance of the Bonds.

"Participating Underwriter" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the Securities and Exchange Commission may be found by visiting the Securities and Exchange Commission's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the Municipal Securities

Rulemaking Board, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access ("EMMA") web portal at "<http://emma.msrb.org>."

3. **Content of Developer Reports.**

(a) The Developer, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall prepare a Developer Report no later than thirty (30) days after the end of each calendar quarter commencing December 31, 2014, provided, however, that if and so long as the Developer is a reporting company (subject to Sections 13 or 15(d) of the Securities Exchange Act of 1934, as amended) such thirty (30) days shall be extended to the date of filing of its/their respective 10K or 10Q, if later, as the case may be (each, a "Quarterly Receipt Date"). At such time as the Developer is no longer an Obligated Person, the Developer will no longer be obligated to prepare any quarterly Developer Report pursuant to this Disclosure Agreement.

(b) Each quarterly Developer Report shall address the following information, to the extent applicable to the Development or the Developer, as the case may be, and not otherwise provided pursuant to subsection (d), as applicable, of this Section 3:

(i) With respect to residential property within the Development that is being developed by the Developer and/or its Affiliates and/or is owned by the Developer and/or its Affiliates:

(a) the number and type of units planned identified per parcel/tract.

(b) the status of lot completion per parcel/tract and for those portions of the relevant parcel/tract that are undeveloped, the expected timing for commencement of development and completion of developed lots for such parcel/tracts.

(c) the total number of homes under construction identified per parcel/tract and the number of homes constructed as "spec" homes.

(d) the total number of homes that have received certificates of occupancy from the local governing authority identified per parcel/tract.

(e) the number of homes under contract with third party end users and the number of homes actually closed and sold to end users identified per parcel/tract, and the price of homes sold.

(ii) With respect to commercial property within the Development that is being developed by the Developer and/or its Affiliates and/or is owned by the Developer and/or its Affiliates:

(a) the type and the amount of square footage planned for commercial development as identified per parcel/tract.

(b) the status of infrastructure for those tracts identified as having commercial development (i.e., "developed or undeveloped") and, if

undeveloped, the expected timing for commencement of development and completion of development activities.

(c) status of vertical construction related to commercial development as identified per parcel/tract (including what certificates of occupancy, if any, have been issued by the local governing authority, and the total amount of square footage constructed or under construction), along with information as to what commercial property/developed square footage has been sold, and the price for at which such properties were sold.

(iii) With respect to the Developer and/or its Affiliates:

(a) any updated plan of finance (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer, additional mortgage debt, etc.)

(b) any petition for bankruptcy, insolvency or other debtor's relief filed by or against the Developer or its Affiliates, and which are related to the Development.

(iv) With respect to the entire Development, to the Developer's knowledge:

(a) the identity of any entity (other than the Developer or its Affiliates) then owning 20% or more, by acreage, of the real property in the Development or that will be responsible for the payment of 20% or more of the Assessments.

(b) if any sale of land in the Development results in the ownership by any entity of more than 20%, by acreage, of the real property in the Development or the responsibility of such entity for the payment of more than 20% of the Assessments, the name of such entity, the acreage/tract or lots, as the case may be that are sold, the development status of such property, the assessed value of such property, the date of closing for such transaction, and the price paid for such property.

(c) a description of any governmental imposed restrictions on the Development not previously applicable, which the Developer believes to have a material impact on the Development.

(d) any judicial challenges to the Assessments.

(e) any materially adverse changes or determinations to permits/approvals for the Development which necessitate material changes to the land development plans or any event that would have a material adverse impact on the implementation of the Development by the Developer and/or its Affiliates and/or their ability to undertake the Development as described in the Official Statement.

(f) Significant zoning, environmental, land use entitlement changes, and/or litigation that would have a material impact on land values, development potential, or the likelihood of the Developer and/or its Affiliates, to pay the Assessments on the property it owns (or is responsible for developing) within the Development.

(c) If the Developer or its Affiliates, sell, assign or otherwise transfer ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Developer directly or through its Affiliates hereby agrees to contractually obligate such third party to agree to comply with the disclosure obligations of the Developer hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Developer shall promptly notify the Issuer and the Dissemination Agent in writing of any Transfer. For purposes of Sections 3 and 4 hereof, the term "Developer" shall be deemed to include the Developer and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer from their obligations hereunder.

4. **Provision of Developer Reports.**

(a) The Developer shall provide a Developer Report which contains the information in Section 3(b) of this Disclosure Agreement to the Dissemination Agent no later than the Quarterly Receipt Date for such Developer Report. Within thirty (30) days of the Quarterly Receipt Date, the Dissemination Agent shall file the Developer Report provided to it by the Developer with each Repository (the "Quarterly Filing Date").

(b) If on the seventh (7th) day prior to each Quarterly Receipt Date the Dissemination Agent has not received a copy of the Developer Report due on such Quarterly Receipt Date, the Dissemination Agent shall contact the Developer by telephone and in writing (which may be by e-mail) to remind the Developer of its undertaking to provide the Developer Report pursuant to Section 3. Upon such reminder, the Developer shall either (i) provide the Dissemination Agent with an electronic copy of the Developer Report in accordance with Section 3 above, or (ii) instruct the Dissemination Agent in writing that such Obligated Party will not be able to file the Developer Report within the time required under this Disclosure Agreement and state the date by which such Developer Report will be provided.

(c) If the Dissemination Agent has not received a Developer Report that contains the information in Section 3(b) of this Disclosure Agreement by 12:00 noon on the first business day following each Quarterly Receipt Date, the Dissemination Agent shall send a notice to the Repository or the MSRB in substantially the form attached as Exhibit A, with a copy to the Issuer and the Participating Underwriter indicating the non-compliance of the Developer hereunder. The Dissemination Agent shall file such notice no later than ten (10) days following the applicable Quarterly Receipt Date.

(d) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name and address of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer stating that the Developer Report has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

5. Termination of Disclosure Agreement. This Disclosure Agreement shall terminate upon the earlier of the date the Developer is no longer an Obligated Party or the payment in full of the Bonds, whether at maturity or by redemption or defeasance.

6. Dissemination Agent. The Dissemination Agent shall not be responsible for the form or content of any information (or any portion thereof) provided to it by the Developer pursuant to the terms hereof. The Dissemination Agent shall not be responsible for reviewing or verifying the accuracy or completeness of any such information.

7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Developer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Participating Underwriter, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer, the Trustee, or the Developer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Developer Report, annual report, or notice of occurrence of any event, in addition to that which is required by this Disclosure Agreement.

9. Default. In the event of a failure of the Developer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Owner of the Bonds or the Participating Underwriter may (but shall not be required to) take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. No default hereunder shall be deemed an Event of Default under the Resolution with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

10. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may be reported as required herein. The Developer represents and warrants that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in

order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the Developer as thereafter disseminated by the Dissemination Agent.

11. Fees and Costs. The Developer agrees to pay the Dissemination Agent an annual fee of \$5,000.00, payable in advance beginning on the date of issuance of the Bonds, and on each one (1) year anniversary thereafter during the term of this Disclosure Agreement. In addition, the Developer agrees to reimburse the Dissemination Agent for all of its reasonable out-of-pocket expenses including, without limitation, attorneys' fees, paraprofessional fees, travel expenses, telephone and facsimile transmission costs, duplication costs, postage (including express mail or overnight charges) and the like. All compensation and reimbursement set forth in this Section 11 shall be payable upon demand by the Dissemination Agent. The obligations of the Developer under this Section 11 shall survive any termination of this Disclosure Agreement (with respect to periods when the Developer was an Obligated Person) or the resignation or removal of the Dissemination Agent.

12. Notice Address of Dissemination Agent. Any notice, demand, direction, request or other instrument authorized or required by the foregoing agreement shall be deemed to have been sufficiently given or filed for all purposes to the Dissemination Agent if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

Lerner Reporting Services, Inc.
C/O Harry Lerner
5020 W. Linebaugh Avenue, Suite 250
Tampa, FL 33624

13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, its successors and assigns, as the case may be, the Dissemination Agent, the Participating Underwriters, and the Owners of the Bonds (the Participating Underwriters and the Owners of the Bonds being hereby deemed express third party beneficiaries of this Agreement), and shall create no rights in any other person or entity.

14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

15. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida and Federal law and venue shall be in any state or federal court having jurisdiction in Palm Beach County, Florida.

16. Binding Effect. This Disclosure Agreement shall be binding upon each party and upon each successor and assignee of each party and shall inure to the benefit of, and be enforceable by, each party and each successor and assignee of each party.

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth herein.

KH ALTON LLC
a Florida limited liability company, as Developer

By: _____
Printed Name: _____
Title: _____

LERNER REPORTING SERVICES, INC. as
Dissemination Agent

By: _____
Printed Name: _____
Title: _____

EXHIBIT A

**NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Northern Palm Beach Improvement District
Obligated Person(s): KH ALTON LLC
Name of Bond Issue: \$[_____] Water Control and Improvement Bonds, Unit of
Development No. 2C, Series 2014
Date of Issuance: [_____] , 2014

NOTICE IS HEREBY GIVEN that the Developer has not provided a Quarterly Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement dated as of [_____] , 2014, among the Developer and the Dissemination Agent. The Developer has advised the undersigned that it anticipates that the Quarterly Report will be filed by _____, 20____.

Dated: _____

_____, as Dissemination
Agent, on behalf of the Issuer

cc: Issuer
Participating Underwriter

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AN APPRAISAL REPORT

OF

**A 70 ACRES (GROSS) / 60.81 ACRES (NET) SITE KNOWN AS
“PARCEL A”, THE SCRIPPS-BRIGER TRACT”
LOCATED ON THE SOUTH SIDE OF
DONALD ROSS ROAD 1,300 FEET EAST OF
INTERSTATE 95, PALM BEACH GARDENS
PALM BEACH COUNTY, FLORIDA 33418**

PROJECT IDENTIFICATION

“PARCEL A” THE SCRIPPS-BRIGER TRACT

PREPARED FOR

**HEIGHTS BIOTECH INVESTMENTS, LLC
C/O MR. JOHN CSAPO
701 SOUTH OLIVE AVENUE, SUITE 104
WEST PALM BEACH, FLORIDA 33401**

AS OF

MAY 5, 2014

PREPARED BY

**PARRISH & EDWARDS, INC.
EIN 59-2550770
J. KENNETH PARRISH, MAI, SRA
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER #RZ249**

PARRISH & EDWARDS, INC.

Main Office:

3418 W. Mallory Blvd.
Jupiter, Florida 33458
PH : (561) 622-9992
FAX: (561) 622-9308



St. Lucie Office:

201 Fernandina Street
Fort Pierce, Florida 34949

May 5, 2014

Heights Biotech Investments, LLC
C/O Mr. John Csapo
701 South Olive Avenue, Suite 104
West Palm Beach, Florida 33401

RE: P&E File No.: R14-088
Project ID: "Parcel A" Scripps-Briger Tract

Dear Mr. Csapo:

In accordance with your request, we have made an inspection, analysis, and an appraisal report of the following:

A 70 acre (gross) / 60.81 acres (net) site known as the "Scripps-Briger Tract", and located on the south side of Donald Ross Road 1,000 feet west of Central Boulevard, Palm Beach Gardens Palm Beach County, Florida 33478.

As a result of our investigation and analysis of the information outlined in the report, we hereby submit that our opinion of the "As Is" Market Value of the Fee Simple Estate of the Subject parcel, **as unencumbered by the Scripps lease**, as of May 5, 2014, is as follows:

70 ACRE (GROSS) / 60.81 ACRES (NET)
FORTY THREE MILLION TWO HUNDRED THOUSAND DOLLARS
\$43,200,000

As a result of our investigation and analysis of the information outlined in the report, we hereby submit that our opinion of the Prospective Market Value of the Fee Simple Estate of the Subject parcel, based on the contribution of **Parcel Infrastructure Benefits as specified in Unit of Development No. 2C – Report of Engineer by the Northern Palm Beach County Improvement District, dated February 14, 2014**, based on completion of infrastructure to be completed by May 1, 2015, estimated as of May 5, 2014, is as follows:

70 ACRE (GROSS) / 60.81 ACRES (NET)
FIFTY EIGHT MILLION SIX HUNDRED THOUSAND DOLLARS
\$58,600,000

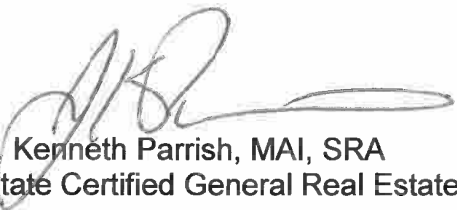
May 5, 2014
Page 2

The Ground Lease Agreement referred to in this appraisal is included as Exhibit 6 in the Grant Agreement between Palm Beach County and the Scripps Research Institute, dated May 23, 2006 (R2006-0803) and, assuming Scripps will not be in material default of the terms and conditions of the lease with the site being conveyed to Scripps at the expiration of the lease on February 6, 2021. The leased fee value is considered nominal and is addressed in the Scope of Work within this report and in the Leased Fee Analysis at the end of this report.

This report is intended to comply with the standards and reporting requirements of the Uniform Standards of Professional Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

A description of the property appraised, together with an explanation of the valuation procedures utilized, is contained within the body of the report. This letter is made a part of and subject to the Limiting Conditions as set forth in the report herein.

Respectively submitted,



J. Kenneth Parrish, MAI, SRA
State Certified General Real Estate Appraiser #RZ249

JKP/ssc

Encl.

TABLE OF CONTENTS

Part One - Introduction

Title Page
Letter of Transmittal
Table of Contents
Certification of Value
Executive Summary

Part Two – Premises of the Appraisal

Scope of Appraisal
Assumptions and Special Limiting Conditions
Purpose / Intended Use and User of Appraisal
Definition of Value / Date of Value
Property Rights Appraised
Marketing/Exposure

Part Three – Presentation of Data

Photographs of Subject Property	1
Location Map	5
Identification of Subject Property	6
Location of Subject Property	6
Legal Description	6
Owner of Record	6
Palm Beach County Summary	7
Area Map	16
Area and Neighborhood Analysis	17
Site Data	24
Zoning and Land Use	28
Taxes and Assessments	30
Five Year Sales History	31

Part Four – Analysis of Data and Conclusions

Highest and Best Use	33
Valuation Methods	35
Sales Comparison Approach to Value	36
Land Sale Aerials and Write-ups	37
Vacant Land Sales Summary Chart	56
Sales Analysis Discussion and Conclusion	56
Prospective Value Analysis	60
Leased Fee Analysis	65

EXHIBITS/ADDENDA

Qualifications of Appraisers

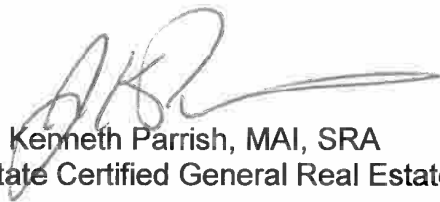
CERTIFICATION

We hereby certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the Subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed and this review report has been prepared, in conformity with the requirements of the Code of Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. J. Kenneth Parrish and Ralph Bradford have made a personal inspection of the property that is the subject of this report.
10. Ralph Bradford contributed to the research, analysis and preparation of this report.

CERTIFICATION (CONT'D)

11. The Appraisal Institute conducts a program of continuing education for designated members who meet the minimum standards of this program and are awarded periodic educational certification. As of the date of this report, J. Kenneth Parrish, has completed the requirements under the continuing education program of the Appraisal Institute.
12. Our analyses, opinions, or conclusions that were developed in this report have been prepared in conformity with the requirements of the State of Florida for the State Certified Appraisers.
13. Our analysis, opinions, or conclusions that were developed in this report have been prepared in conformity with the requirements of the Supplemental Appraisal Standards for Board of Trustees Land Acquisitions.
14. The use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.
15. I, J. Kenneth Parrish, have performed no services as an appraiser, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.



J. Kenneth Parrish, MAI, SRA
State Certified General Real Estate Appraiser #RZ249

EXECUTIVE SUMMARY

<u>Project Identification:</u>	The "Scripts Briger" Tract Palm Beach Gardens, Palm Beach County
<u>Parcel Identifications:</u>	PCN# 52-42-41-26-00-000-1020 and 52-42-41-26-00-000-1030
<u>Appraiser:</u>	Parrish & Edwards, Inc. J. Kenneth Parrish, MAI, SRA
<u>Dates:</u>	Effective Date of Value: May 5, 2014 Date of Report: May 5, 2014 Date of Inspection: May 5, 2014 Date of Prospective Value: May 1, 2015
<u>Interest Appraised:</u>	Fee Simple, Leased Fee Interest and Prospective Value upon completion of infrastructure
<u>Parcel Size:</u>	Vacant Land: 70 Acres (gross) 60.81 Acres (net)
<u>Parcel Access:</u>	South side of Donald Ross Road, west of Central Boulevard.
<u>Zoning/Land Use:</u>	"PDA", Planned Development Area with an underlying land use of Mixed Use, Palm Beach Gardens.
<u>2013 Assessed Value:</u>	Parcel I: \$ 7,425,000 Parcel II: <u>\$11,880,000</u> Total: \$19,305,000
<u>2013 Taxes:</u>	Ad Valorem - N/A; County owned Non Ad Valorem: \$9,655
<u>Utilities:</u>	Public sewer and water available from Seacoast Utilities. Electricity is provided by FPL. Telephone service is provided by AT&T or other outside services. All other services such as police, fire rescue, and trash collection are also available
<u>Flood Zone Information:</u>	Zone "B" Map Panel #120192 0120 B, dated October 15, 1982.
<u>Mineral Rights:</u>	No indication of Mineral Rights Reservations
<u>Easements:</u>	No apparent adverse easements – only typical utility and road right-of-way easements
<u>Other Encumbrances:</u>	Leased to Scripps

Highest and Best Use: Hold for future mixed use development or develop for special purpose use.

Present Use: Vacant land

**Ownership History, Listings
Contracts (Past 5 years –
price, option or contract):**

The Subject Property consists of Parcels I and II, containing a gross area of approximately 70 acres, of the approximately 681.69 acre (as indicated by Resolution 80, 2009 by Palm Beach Gardens) Scripps Florida Phase II/Briger Tract.

Parcel I, containing approximately 30 acres was gifted to Palm Beach County with the restriction that the property is to be used solely for Biotech uses and if not developed by February 6, 2021, the property is to be returned to the Grantor for no consideration as recorded in ORB 21129, Page 0227, Palm Beach County Public Records.

Parcel II, containing approximately 40 acres was purchased by Palm Beach County for \$8,000,000 on November 28, 2006, as recorded in ORB 21129, Page 0218, Palm Beach County Public Records.

The Subject Property is currently under lease to Scripps for \$1.00/year with an option to purchase before February 6, 2021 for \$1.00, subject to satisfaction of the terms of the lease (See Addenda). If the property is not conveyed to Scripps prior to February 6, 2021, the County shall convey the property to Scripps in accordance with the provisions of the Ground Lease, providing Scripps is not in material default of this agreement.

	<u>Valuation Opinion</u>	<u>Price/SF Bldg Area</u>	<u>Price/SF Land Area</u>
<u>As Is Fee Simple Opinion of Value:</u>	\$43,200,000	\$27.00	\$16.31
<u>Prospective Value Upon Completion of Site Work:</u>	\$58,600,000	\$36.63	\$22.12
<u>Leased Fee Opinion of Value:</u>	Nominal, +/- \$10		

PART II – PREMISES OF THE APPRAISAL

SCOPE OF APPRAISAL

The purpose of the Appraisal is to provide an opinion of the fee simple Market Value of the Subject Property both “as is” and a Prospective Market Value with infrastructure in place and the “as is” leased fee Market Value of the Subject Property encumbered by the existing in-place lease. Our opinion of the Market Value will be derived by utilizing the Sales Comparison Approach which is summarized as follows:

SALES COMPARISON APPROACH - A process of analyzing sales of similar recently sold properties in order to derive an indication of the most probable sales price of the property being appraised.

Three values will be provided as follows:

1. An as is, fee simple, value **unencumbered** by the existing in-place lease
2. A Prospective fee simple value based on the contribution of **Parcel Infrastructure Benefits as specified in Unit of Development No. 2C – Report of Engineer by the Northern Palm Beach County Improvement District, dated February 14, 2014**
3. An as is leased fee value **encumbered** by the existing in-place lease.

The Subject Property is identified as two adjoining vacant parcels of land being a portion of the 681.69 acre Scripps Florida Phase II / Briger Tract Development of Regional Impact (DRI) and located along the south side of Donald Ross Road, between I-95 to the west and Central Boulevard to the east, in Palm Beach Gardens. The Subject parcels are zoned "PDA", Planned Development Area with an underlying land use of Mixed Use. As vacant parcels, the Cost and Income Approaches were not appropriate. The Sales Comparison Approach is typically the only approach applicable in valuing vacant land.

The Subject Property is approved for development of 1,600,000 square feet of biotech space and is encumbered by a land lease to Scripps until February 6, 2021. The terms of the lease, in general, call for a total rent payment of \$1.00 per year during the term of the lease. Scripps also has an option to purchase the property during the term of the lease for a total of \$1.00 but the option can only be exercised providing they meet the terms and conditions of Article 24 of the Ground Lease. This section of the lease requires Scripps to not be in material default of the lease and requires Scripps to have satisfied and maintained for two (2) consecutive years, the Job Creation Goal and delivered the Job Creation Goal Audit Report as required by the Grant Agreement. The Job Creation Goal as indicated in Article VI, Section C of the Grant Agreement requires Scripps to relocate to or create in Palm Beach County 6,500 Scripps New Jobs or Related Employer New Jobs. In the event the Briger Site is not conveyed to Scripps prior to February 6, 2021, the County shall convey the Briger Site to Scripps in accordance with the provisions of the Ground Lease, provided that Scripps is not in Material Default of this Agreement.

SCOPE (CONT'D)

Based upon our analysis and interpretation of the Grant Agreement and the Land Lease included as an exhibit in the Grant Agreement and conversations with Shannon R. LaRocque, Assistant County Administrator who among other projects, is the County manager of the Office of Economic Development for Scripps, the most likely scenario is that Scripps will not be in Material Default of the Grant Agreement or the Ground Lease and the property will be conveyed to Scripps at the expiration of the lease term in February 2021. Ms. LaRocque further indicated that Scripps will be able to purchase the Subject tract for \$1.00 by February 6, 2021 unless they discontinue operations in Palm Beach County. We have assumed that Scripps will continue operation and will not be in default of the Grant Agreement or the Lease. If this is not the case, it could have a significant effect on our leased fee value conclusion since if Scripps is in Material Default of the Grant Agreement or Land Lease and does nothing to remedy the default as specified in the lease, the property would revert back to Palm Beach County.

In utilizing the Sales Comparison Approach, sales of reasonably similar vacant tracts will be considered. Ideally, these tracts will be similar in regard to size, location, terms of sale, development potential and zoning. Consideration will be given to any differences between the Subject Parcel and the Comparables to the extent that such factors, in the opinion of the appraiser, affect value. An opinion of value incorporating these differences will then be applied to the Subject.

Due to the size and topography of the Subject site it was not possible to physically inspect all portions of the Subject site. The inspection of the Subject Property included an analysis of the aerial photographs from the Palm Beach County Property Appraiser's Website (PAPA) and a limited inspection of the site. Also, because of the size, topography, and restricted access for some of the comparables, only a limited inspection of the sales comparables was possible. We have relied upon conversations with the verifying parties and PAPA aerial photographs in establishing the topography (% wetlands) for each of the comparables.

EXTRAORDINARY ASSUMPTIONS / SPECIAL LIMITING CONDITIONS

1. We were provided a copy of the Grant Agreement Between Palm Beach County and the Scripps Research Institute dated May 23, 2006 (R-2006 0803). Included as Exhibit G in the Grant Agreement is the Ground Lease Agreement. These documents were reviewed and the content discussed with Ben Williamson and Margaret Jackson with the Palm Beach County Property and Real Estate Management Division. The analysis included in this appraisal is based upon our interpretation of these documents which was supported by Mr. Williamson and Ms. Jackson. Our interpretation was also supported by Shannon R. LaRocque, Assistant County Administrator. Because we are not experts in legal issues associated with the interpretation and intent of these documents and an expert opinion is required, we recommend consulting with an attorney familiar with this area of law. Any interpretation of these documents that differs from the interpretations presented in this appraisal could have an effect on our value conclusions.
2. Based upon our analysis and interpretation of the Grant Agreement and the Land Lease which is included as an exhibit in the Grant Agreement and based upon our conversations in July 2012 with Ben Williamson and Margaret Jackson with the Palm Beach County Property and Real Estate Management Division, **the most likely scenario is that Scripps will NOT be in Material Default of the Grant Agreement or Ground Lease and the property will be conveyed to Scripps at the expiration of the lease term in February 2021. This was further supported by Shannon R. LaRocque, Assistant County Administrator who, among other projects, is the County manager of the Office of Economic Development for Scripps. She indicated that Scripps will be able to purchase the Subject 70 acre tract for \$1.00 by February 6, 2021 unless they discontinue operations in Palm Beach County. We have assumed that Scripps will continue their Palm Beach County Operations. If this is not the case this could have a significant effect on our value conclusion since if Scripps is in Material Default of the Grant Agreement or Land Lease and does nothing to remedy the default as specified in the lease, the property would revert back to Palm Beach County.**
3. Due to the size and topography of the Subject site it was not possible to physically inspect all portions of the Subject site. The inspection of the Subject Property included a review of the Scripps Florida – Phase II / Briger Tract DRI dated December 2008, PAPA aerial photographs, plat maps and a limited inspection of the site.
4. Also, because of the size, topography, and restricted access for the comparables, only a limited inspection of the sales comparables was possible. We have relied upon conversations with the verifying parties and the PAPA aerial photographs in establishing the topography (% wetlands) for the sites.

EXTRAORDINARY /SPECIAL LIMITING CONDITIONS (CONT'D)

5. The Subject site is an irregular shaped site which is part of the Briger Tract, a 681.69 acre undeveloped Tract in northern Palm Beach Gardens. We have been asked to appraise a portion of the Briger Tract (70 acres gross / 60.81 acres net) on the south side of Donald Ross Road, between Central Boulevard and Interstate 95. The gross size and legal description has been supplied by the Palm Beach County records, as well as contained within the Scripps Lease. For appraisal purposes, the net area of 60.81 acres as indicated by Exhibit D-2 of "UNIT OF DEVELOPMENT No. 2 C, Report of Engineer for the Northern Palm Beach County Improvements District, dated February 14, 2014" will be utilized. If a recent survey becomes available and differs significantly, our appraisal is subject to revision.
6. According to the Scripps Florida – Phase II / Briger Tract DRI, the Subject Property has approvals in-place for 1,600,000 square feet of Biotech space. According to Richard Marrero, Senior Planner with the City of Palm Beach Gardens, the developer will need to submit a development application requesting approval of the site plan for the proposed project to the Palm Beach Gardens Planning and Zoning Department. Prior to the submittal of any application, the developer will need to meet with the City for a pre-application meeting to review the proposal and at that time, the staff would determine the process (i.e., administrative review or public hearings).
7. Our appraisal involves site improvements and a prospective value estimate upon completion of the proposed site improvements. Therefore, it is a hypothetical condition that the site improvements will be completed. Furthermore, it is an extraordinary assumption that the subject will be completed as planned. The date of the appraisal establishes the context for the prospective value estimate. The prospective value estimates are based on market conditions that exist as of the "as is" valuation date. The appraiser cannot be held responsible for unforeseen future events that may affect the market.
8. An itemized cost estimate for the proposed site improvements was not available as of the date of this report. A general cost estimate of \$14,006,977 or \$5.29 per square foot of net site area, as indicated in the document "UNIT OF DEVELOPMENT No. 2 C, Report of Engineer for the Northern Palm Beach County Improvements District, dated February 14, 2014". The Prospective Value contained within this report assumes the site improvements planned for the Subject Site will be completed by approximately May 1, 2015.

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is an appraisal report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is summarized in this report and/or retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within this report. The appraiser is not responsible for unauthorized use if this report.
2. Unless otherwise stated, the value appearing in this appraisal represents our opinion of the Market Value of the value defined AS OF THE DATE SPECIFIED. Values of real estate are affected by national and local conditions and, consequently, will vary with future changes in such conditions.
3. Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use. The physical report(s) remain the property of the Appraiser for the use of the client, the fee being for the analytical services only. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed, or copied without the written consent of an officer of the appraisal firm of Parrish & Edwards, Inc., and then only in its entirety.
4. Neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations efforts, news sales, or other media without written consent and approval of an officer of Parrish & Edwards, Inc.; nor may any reference be made in such public communications to the Appraisal Institute or the MAI/SRA/SRPA designations.
5. The Appraiser may not divulge the material contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing, except as may be required by the Appraisal Institute or as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

6. Analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
7. This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis which are set forth were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as Review Appraiser. No change of any item in the report shall be made by anyone other than the Appraiser, and the Appraiser and the firm shall have no responsibility if any such unauthorized change is made.
8. No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.
9. No responsibility is assumed for accuracy of information furnished by or from others, the clients, his designee, or public records. We are not liable for such information or the work of possible subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit. All are considered appropriate for inclusion to the best of our factual judgment and knowledge.
10. The contract for appraisal, consultation, or analytical service is fulfilled and the total fee payable upon completion of the report. The Appraiser or those assisting the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part nor engage in post-appraisal consultation with client or third parties, except under separate and special arrangement and at an additional fee.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

11. Liability of Parrish & Edwards, Inc. and its subcontractors is limited to the fee collected for preparation of the appraisal. There is no accountability of liability to any third party.
12. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status, as of the date of the photos.
13. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which made it more or less valuable. The Appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these facts. No topographical survey was provided.
14. The distribution of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in the conjunction with any other appraisal, no matter how similar, and are invalid if so used.
15. No environmental or impact studies, special market studies or analyses, highest and best use analysis study, or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The Appraiser reserves the unlimited right to alter, amend, revise, or rescind any of the statements, findings, opinions, values, estimates, or conclusions upon any subsequent such study or analysis of previous study or analysis, subsequently becoming known to him.
16. The market value estimated and the cost used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
17. This appraisal expresses our opinion and employment to make this appraisal was in no way contingent upon the reporting of a predetermined value or conclusion. The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

18. The value estimate in this appraisal report is gross without consideration given to any encumbrance, restriction, or questions of title unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon the race, color, national origin of the present owners, or occupants of the properties in the vicinity of the property appraised.
19. In this appraisal assignment, the existence of potentially hazardous material used in construction, such as the presence of urea formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The Appraiser is not qualified to detect such substances. We urge the client to retain an expert in this field, if desired.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the Appraiser become aware of such during the Appraiser's inspection. The Appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The Appraiser, however, is not qualified to test such substances or conditions. The presence of such substances such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property. The value estimate is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate, if so desired.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

20. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
21. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an as is opinion of the Market Value of the unencumbered Fee Simple Estate of the Subject Property, as of May 5, 2014, the Prospective Fee Simple Market Value to securitize a bond issue to finance the project infrastructure with an anticipated completion date of May 1, 2015 and an opinion of the market value of the Leased Fee Interest of the Subject Property as encumbered by the Scripps Lease.

INTENDED USE AND USER OF THE APPRAISAL

The intended use of this appraisal is to provide opinions of:

1. the "As Is" Market Value of the Subject Property both as unencumbered and as encumbered by the Scripps Lease, as of May 5, 2014.
2. The Prospective Market Value of the Fee Simple Interest in the Subject Property based on the contribution of Parcel Infrastructure Benefits as specified in Unit of Development No. 2C – Report of Engineer by the Northern Palm Beach County Improvement District, dated February 14, 2014

The intended user of this report is Heights Biotech Investments, LLC., c/o Mr. John Csapo and the Northern Palm Beach County Improvement District.

PROSPECTIVE VALUE:

A forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

DEFINITION OF MARKET VALUE

The regulatory required market value definition is:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source:

*Supplemental Appraisal Standards for Board of Trustees Land

*Uniform Standards of Professional Appraisal Practice,
Page I-7

*Federal Reserve System, 12 CFR Parts 208 and 225,
Sec. 225.62

*Office of the Comptroller of the Currency, 12 CFR Part 34,
Sec. 34.42

*FDIC, 12 CFR Part 323, Sec. 323.2

*Office of Thrift Supervision, 12 CFR Part 564, Sec. 564.2

*NCUA, 12 CFR Part 722, Sec. 722.2

*RTC, 12 CFR Part 1608, Sec. 1608.2

*FIRREA, Title XI

Effective Date of Value Opinion:	May 5, 2014
Date of Inspection:	May 5, 2014
Date of Report:	May 5, 2014
Prospective Date of Value Upon completion of infrastructure:	May 1, 2015

PROPERTY RIGHTS APPRAISED:

The Fee Simple value has been provided. The definition of Fee Simple is as follows:

Fee Simple: An absolute fee; a fee without limitation to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

An opinion of the Leased Fee Value has also be provided, which takes into account the Scripps Land Lease. The definition of Leased Fee is as follows:

Leased Fee: A property held in fee with the right of use and occupancy conveyed by lease to others. A property consisting of the right to receive rent over a period of time, plus the right of ultimate repossession at the termination of the lease.

MARKETING/EXPOSURE TIME:

Per the Appraisal Institute, Exposure Time relates to the time preceding the appraisal date that the Subject hypothetically would have been offered on the market prior to a hypothetical sale on the effective date of the appraisal. Marketing Time is the time required to sell the property after the appraisal date.

In estimating the marketing period for the Subject Properties discussions were held with local real estate professionals including brokers and property managers specializing in the Subject's area.

Based on discussions with brokers, other professionals in the market, and the actual marketing time of the Comparables a marketing/exposure time for the vacant land of 12 to 24 +/- months is considered reasonable, assuming marketing by an experienced broker at a reasonable price.

PART III – PRESENTATION OF DATA



AERIAL PHOTO OF SUBJECT PARCEL I



AERIAL PHOTO OF SUBJECT PARCEL II



SUBJECT PARCEL II FACING SOUTH FROM PARKSIDE DRIVE



INTERIOR PHOTO OF SUBJECT PARCELS



FACING SOUTHWEST TOWARD SUBJECT FROM FPL POWER LINES



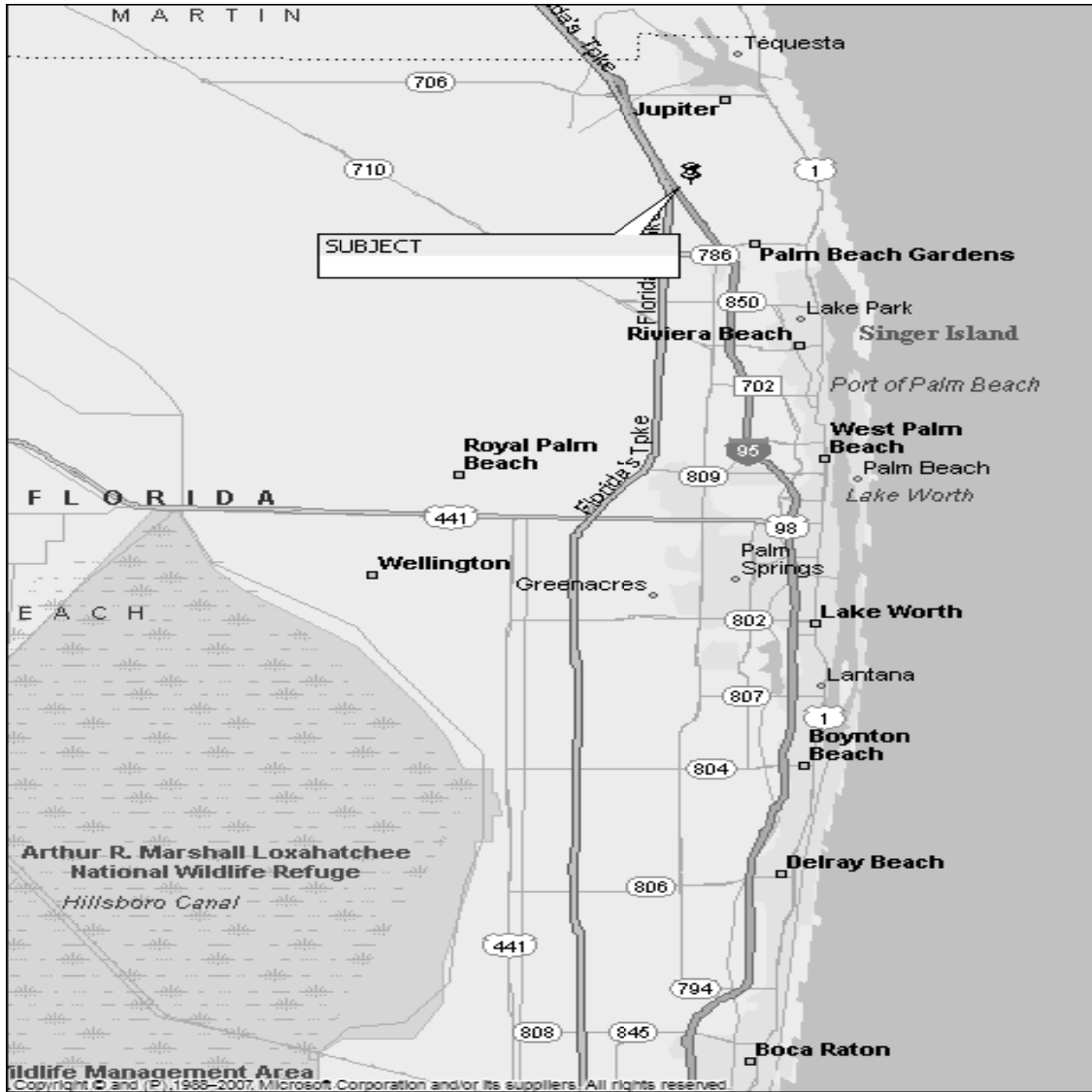
FACING NORTHWEST TOWARD SUBJECT FROM FPL POWER LINES



EASTERLY VIEW OF DONALD ROSS ROAD



WESTERLY VIEW OF DONALD ROSS ROAD



LOCATION MAP

IDENTIFICATION OF SUBJECT PROPERTY

The Subject Property consists of 70 acres gross / 60.81 acres net of vacant, unimproved land located in the northeastern portion of Palm Beach County. More specifically, the Subject Property is located on the south side of Donald Ross Road between I-95 to the west and Central Boulevard to the east, Palm Beach Gardens Palm Beach County, Florida.

A more complete description of the Subject parcel as well as area/neighborhood analysis, site data, highest and best use analysis, and the applicable approaches to valuation will be included herein.

LOCATION OF SUBJECT PROPERTY

The Subject Property is located within the 681.69 acre Scripps Florida Phase II / Briger Tract Development of Regional Impact (DRI). More specifically, the Subject Property is located on the south side of Donald Ross Road approximately 1,300 feet east of Interstate 95 and across Donald Ross Road from the FAU Northern Campus, the Scripps Research Institute's 350,000-square-foot, state-of-the-art biomedical research facility and the recently completed 100,000 square foot Germany based Max Planck Society Research Institute.

LEGAL DESCRIPTION

The Subject Property consists of a lengthy legal description. The legal description has been supplied by the public records of Palm Beach County and is contained in the Addenda of this report. The property lies within a portion of Section 26, Township 41 South, Range 42 East, Palm Beach County, Florida.

OWNER OF RECORD

Palm Beach County.

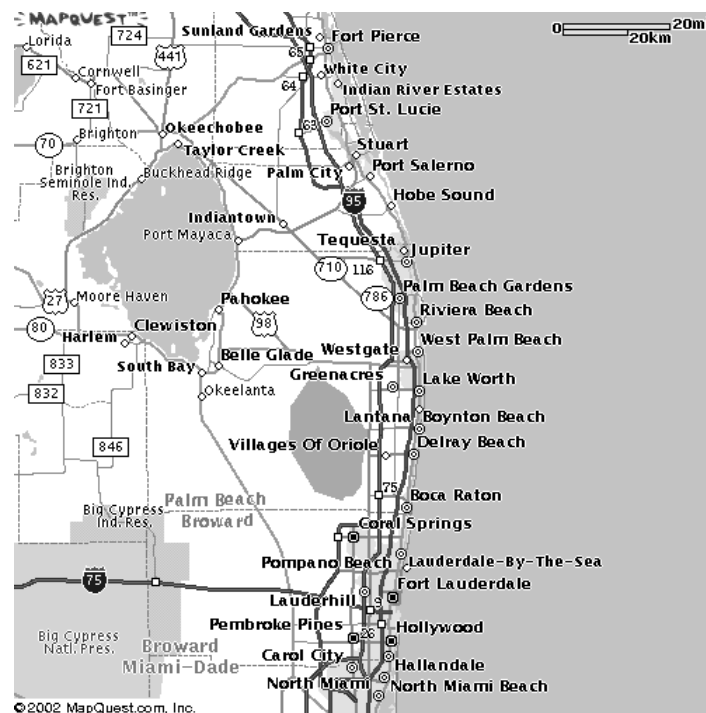
PALM BEACH COUNTY SUMMARY

The Subject Property is located in Palm Beach County, Florida.

Physical Characteristics

Palm Beach County is located along the southeast "Gold Coast" of Florida and is the second-largest county in the state and seventh in the nation with a land area of 2,578 square miles, of which roughly 20% is within Lake Okeechobee and other wetland areas.

The county is rectangular-shaped and is bounded on the east by the Atlantic Ocean, on the west by Glades and Hendry Counties, on the south by Broward County, and on the north by Martin County. The geographic center of the county is +/-67 miles north of Miami and +/- 171 miles southeast of Orlando. Elevation averages 15' above sea-level. Natural habitat, moving from east to west, includes coastal beach dune ecosystems, pine flatlands, and freshwater wetland areas.



The county's renewable resources include 45 miles of coastline and an average year-round temperature of 75 degrees. Average temperature ranges from a low of 67 degrees to a high of 83 degrees. Winter temperatures are moderated by the Gulf Stream warm water current less than two miles offshore. These conditions have proven favorable for tourism, agriculture, and population in-migration.

Education

For 2013 – 2014 school year, the Palm Beach County school system ranks as the 5th largest in Florida and the 11th largest in the nation with 181,205 students enrolled. There are number of public schools including 109 elementary schools, 33 middle schools, 23 High schools, 2-ESE, with 41 charter schools. Overall enrollment has remained steady from the previous school year. There are a number of larger private schools serving the Palm Beach County from preschool through 12th grade.

Palm Beach County has several colleges / universities / technical institutes. Palm Beach Community College was a public 2-year college but in 2008 the school received approvals to start offering four year degrees and in 2010 the school's name was changed to Palm Beach State College. Palm Beach State College has four campuses having an estimated total enrollment of approximately 47,900 full and part-time students. Florida Atlantic University (FAU) is a 4-year college, whose main campus is in Boca Raton and had a total enrollment of approximately 30,000 students. FAU is a member of the state university system and has six campuses that extend from Davie up to the Treasure Coast. Other higher-learning institutions include Lynn University with approximately 2,000 students, Palm Beach Atlantic University with approximately 3,700 students. Other schools have campuses located in Palm Beach County including Northwood University, South University, Keiser University and Barry University.

Transportation

Roads in the county essentially run east-west and north-south, forming a grid system over the eastern one-third of the county. Roadways that extend beyond the county's borders include State Road 80, State Road 710, Interstate 95, and Florida's Turnpike.

State Road 80 connects coastal Palm Beach County with the Glades and the west coast of Florida. This roadway was widened to four lanes from West Palm Beach to Belle Glade several years ago.

State Road 710 (Beeline Highway) runs from the West Palm Beach area of Palm Beach County and travels northwest into Martin County.

Interstate 95 is an interstate highway running from Florida to Maine. It serves as the main north/south artery in the county, transporting over 145,000 cars per day.

Florida's Turnpike is a toll road running from Wildwood to Miami. It serves a mix of tourist and local traffic. The Turnpike is generally parallel and to the west of Interstate 95. Several exits and all of the rest stops have recently undergone renovation.

Palm-Tran is a county wide bus system serving all of the county and runs seven days a week.

Rail transport is via two carriers: Florida East Coast Railway and CSX Transportation. Both lines are primarily freight oriented with limited passenger service via Amtrak. The Tri-Rail Commuter Rail system services Dade, Broward, and Palm Beach counties for commuter travel between Miami and West Palm Beach.

There are five public, general aviation airports in Palm Beach County and eight private airfields which serve local commercial/executive needs. The largest, Palm Beach International Airport is centrally located southwest of the city of West Palm Beach and eighteen airlines currently serve destinations in the continental United States and direct international flights to the Caribbean and Canada.

The Palm Beach International Airport had total passengers of 5,649,437 for the twelve month period ending October 2013 which was an increase of 0.9% from the previous 12 month period. The largest passenger carriers for the 12 month period ending October 2013 were Delta Airlines and Jet Blue with a 29.26% and 25.00% share of the market. Other significant carriers included Southwest Airlines, United/Continental Airlines, American Airlines and U.S. Airways.

The Port of Palm Beach is located due west of the Lake Worth inlet in Lake Park. The Port of Palm Beach is the fourth busiest container port of Florida's 14 deepwater ports, and is the 18th busiest container port in the United States. The Port handles a variety of incoming and outgoing cargo including agricultural products, general cargo, oil and cement, and cruise line passengers. The Port of Palm Beach and its tenants combine to become one of the largest employers in Palm Beach County with many exports supporting the Caribbean. A Foreign Trade Zone has been in operation since 1987.

Economic Drivers

Population growth through in-migration is one of the primary economic drivers in the county. The county's year round population increased approximately 31% from 863,365 in 1990 to 1,131,191 in 2000. Projected population estimates are expected to continue to increase but at a much slower pace. Palm Beach County's population was 1,320,134 for 2010 and is projected to be 1,465,309 in 2020. The estimated additional seasonal population in Palm Beach County for 2010 was 143,837. The following page provides a breakdown population estimates by municipality.

Area	April 1, 2012	April 1, 2010 ¹
	Population Estimate	Census
Palm Beach County	1,335,415	1,320,134
Atlantis	2,017	2,005
Belle Glade	17,722	17,467
Boca Raton	85,413	84,392
Boynton Beach	68,741	68,217
Briny Breezes	604	601
Cloud Lake	133	135
Delray Beach	61,495	60,522
Glen Ridge	220	219
Golf	252	252
Greenacres	38,079	37,573
Gulf Stream	928	786
Haverhill	1,885	1,873
Highland Beach	3,629	3,539
Hypoluxo	2,631	2,588
Juno Beach	3,233	3,176
Jupiter	56,337	55,156
Jupiter Inlet Colony	398	400
Lake Clarke Shores	3,359	3,376
Lake Park	8,272	8,155
Lake Worth	35,110	34,910
Lantana	10,536	10,423
Loxahatchee Groves	3,173	3,180
Manalapan	410	406
Mangonia Park	1,783	1,888
North Palm Beach	12,177	12,015
Ocean Ridge	1,807	1,786
Pahokee	5,858	5,649
Palm Beach	8,358	8,348
Palm Beach Gardens	49,108	48,440
Palm Beach Shores	1,150	1,142
Palm Springs	19,769	18,928
Riviera Beach	32,723	32,488
Royal Palm Beach	34,421	34,140
South Bay	4,711	4,876
South Palm Beach	1,212	1,171
Tequesta	5,652	5,629
Wellington	57,514	56,508
West Palm Beach	101,668	99,919
Unincorporated	592,927	587,856

Sources: 2012, 2010 US Census and Office of Economic and Demographic Research

Health Care

Health care is one of Florida's fastest growing service sectors, employing over 500,000 of the state's service workers and generating almost \$1.3 billion dollars in payrolls. Approximately 35,000 health care practitioners and workers are employed in Palm Beach County.

Palm Beach County has 15 acute-care hospitals including the Veterans Administration Medical Center. The available beds in these hospitals total 3,645. Included are two trauma centers - one at Delray Medical Center in Delray Beach, and the other at St. Mary's Medical Center in West Palm Beach. Two of the County's largest hospitals - Good Samaritan and St. Mary's Medical Centers - merged, becoming Tenet South Florida Health System.

There are 42 nursing homes with 5,250 beds available in Palm Beach County. In addition, there are two Hospices, ten Public Health Clinics, numerous Treatment Centers, and Adult Living Facilities to serve the needs of the population.

Construction

Below is the building permit activity for new home construction and related commercial and industrial properties and permitted values in recent years:

Bldg. Permit Activity	2009	2010	2011	2012	2013
Housing Units	1,083	1,215	2,316	4,244	5,051
Valu-Housing Permits	\$0.35B	\$0.44B	\$0.67B	\$0.91B	\$1.17B
Valu-Comm/Other *	\$0.48B	\$0.34B	\$0.30B	\$0.36B	\$0.38B
Valu-Total *	\$0.83B	\$0.78B	\$0.97B	\$1.27B	\$1.55B
*includes repairs/additions/ public construction					
B = Billion					
Source: Palm Beach County					

With the economic downturn, there was a sharp downward trend in the number and value of building permits issued over the past several years. In 2011, the number and value of building permits increases.

There are approximately 36 new residential developments in Palm Beach County with housing prices ranging from \$300,000 to over 1 million. Other new construction projects have begun including the first phase of the new Palm Beach Outlet Mall which opened on February 14, 2014 with approximately 100 stores. This mall replaces the old Palm Beach Mall.

Tourism

Palm Beach County is one of Florida's major destinations for business and leisure travelers. The county visitor industry employs more than 50,000 people and contributes more than \$2.6 billion annually to the economy.

South Florida hotels closed out 2013 with fewer empty rooms and higher prices, buoyed by increases in international visitors, sports tourism and leisure business. Palm Beach County hotels were 71 percent occupied in December versus 66.5 percent a year before, while average rates climbed to \$162.29 from \$150.81, Smith Travel data showed. Palm Beach County hotels had 71.6 percent occupancy for the full year and an average daily rate of \$145.84. By comparison, Palm Beach county inns were 67.4 percent full in 2012, with average rates of \$140.92. *Source: Hotel Rooms Filling Up In South Florida, January 20, 2014 Sun Sentinel.*

The Palm Beach International Airport had total passengers of 5,649,437 for the twelve month period ending October 2013 which was an increase of 0.9% from the previous 12 month period.

Agriculture

Commercial agricultural production is one of Palm Beach County's major core industries and employer. Two major crops in Palm Beach County are sugar and citrus. Agricultural production is expected to remain a vital segment of the Palm Beach County economy however coastal farmland acreage is gradually declining as urbanization spreads westward.

In addition, Palm Beach County's Equestrian community is one of the country's premier locations for polo, jumpers, and dressage. Additionally, there is an extensive private recreational horse population.

Employment

Palm Beach County's average wage mirrors the national average wage. Major job categories of labor ranked by percentage are from the Business Development Board of Palm Beach County, released 1/2014, and are shown below:

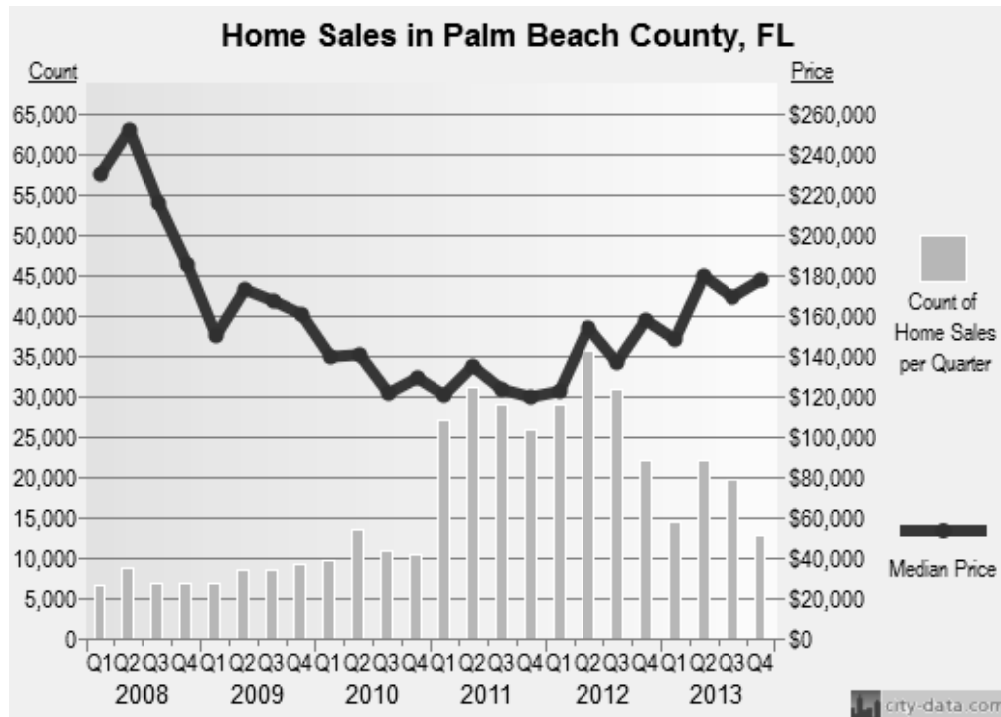
	As of December 2013	December 2013-2012 % of Change
Labor Force & Industry		
Total Non Agricultural Employment	543,400	2.5%
Total Private	477,100	2.4%
Goods Producing	38,500	-4.7%
Construction	24,100	-3.2%
Manufacturing	14,200	-7.2%
Service Providing	504,900	3.1%
Private Service Providing	438,600	3.1%
Trade, Transportation, and Utilities	109,500	5.4%
Wholesale Trade	21,900	0.0%
Retail Trade	70,900	1.7%
Transportation, Warehousing, & Utilities	9,900	3.1%
Information	9,000	-1.1%
Financial Activities	36,200	0.8%
Finance and Insurance	22,400	0.9%
Professional & Business Services	94,000	3.2%
Professional & Technical Services	40,800	3.0%
Mgt of Companies & Enterprises	9,000	2.3%
Administrative & Waste Services	44,200	3.5%
Education & Health Services	86,000	3.6%
Leisure & Hospitality	76,300	1.9%
Accommodation & Food Services	58,800	1.6%
Other Services	27,600	2.2%
Total Government	66,300	3.1%
Labor Force	634,923	-0.3%
Employment	596,849	-0.1%
Unemployment	38,074	-6.8%

The county's selected larger employers (government and private) are estimated, as shown below:

<u>Employer</u>	<u>#</u>	<u>Employer</u>	<u>#</u>
P. B. C. School Board	21,495	A. Duda & Sons	1,100
P. B. County	11,381	Palm Beach State College	1,070
Tenet Healthcare.	6,100	Westport Sr. Living Fund	1,000
Florida Power & Light	3,632	Pratt & Whitney Rocketdyne	1,000
G4S	3,000	Bank of America	1,000
HCA	2,714	Thomas Produce	1,000
FL Atlantic University	2,706	Wells Fargo	1,000
Bethesda Mem. Hospital	2,391	S.FL Water Mgt District	978
Office Depot	2,250	City of Boynton Beach	873
Boca Raton Reg. Hosp.	2,250	TKM-Bengard Farms	800
V.A. Medical Center	2,207	NCCI	800
Florida Crystals	2,000	Continental Group	750
Boca Raton Resort Hotel	1,800	Walgreens Distribution	720
The Breakers	1,800	PGA National Resort & Spa	700
US Sugar	1,700	TBC Corp.	600
City of WPB	1,600	Thermo Electron	600
City of Boca Raton	1,600	Tropical Shipping	600
Simplex / Tyco/ADT	1,500	IBM	600
Jupiter Medical Center	1,300	Cheney Bros.	590
Southland Forming	1,200	Applied Card Systems	550
Sikorsky Aircraft	1,105	PNC	512

Source: Business Development Board updated for December 2011.

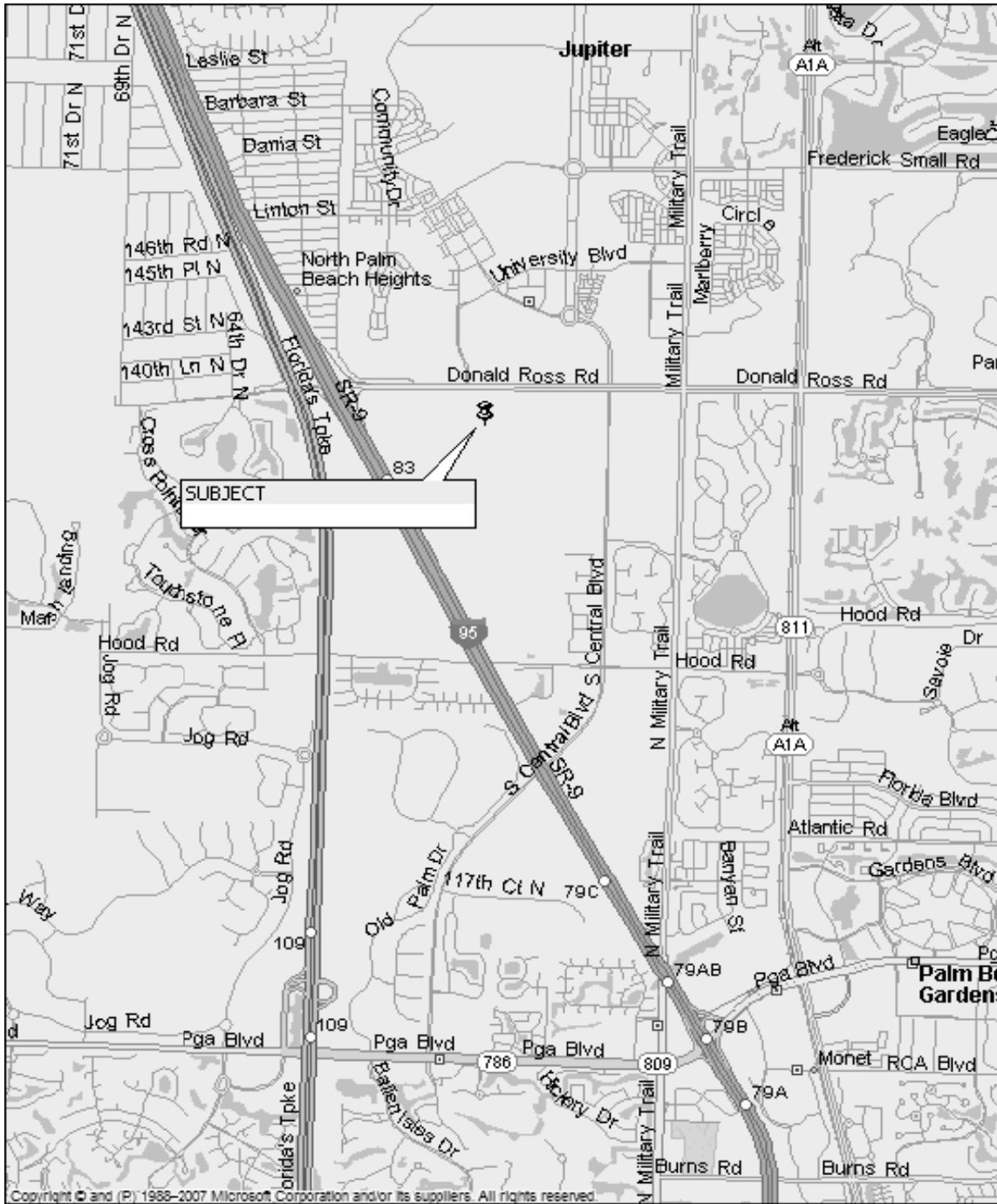
Except during the 2004 hurricane season when the unemployment rate jumped to 6.1%, unemployment rates in Palm Beach County had remained relatively low. Unemployment rates in Palm Beach County, the State of Florida, and the Nation have increased since the lows experienced in 2005/2006 with a significant increase experienced between 2007 and 2011. The County's unemployment rate in December 2012 was 7.93%. As of December 2013, Palm Beach County's unemployment rate was at 6.0% with the state average of 5.9% and the national average of 6.5%. The largest area of increased employment (7.3%) was in Retail Trade. Palm Beach County's labor force for December 2012 was 635,084. In December 2013, the labor force was 634,923 showing the labor force has remained about the same over the year.



Summary

From late 2005 / early 2006 until 2011, the housing market saw a significant increase in the supply of available residential units and a decrease in the number of building permits. Over this time period, foreclosure rates and short sales trended upward in Palm Beach County and all of South Florida. The declining housing market and poor economic conditions also had an effect on the commercial and industrial market with both rental rates and occupancy rates for most market segments softening. This resulted in lower sales prices for the limited number of properties that sold.

Over the past 12-24 months, the economy and residential market have shown significant signs of improvement. This is also beginning to carry over into the commercial and industrial market. As the turnaround continues to unfold, values in both the residential and commercial market should continue to increase but at a much slower rate than in years past.



Area Map

AREA/NEIGHBORHOOD ANALYSIS

The Subject Property is two adjoining parcels of vacant land containing a gross area of approximately 70 acres and a net area of 60.81 acres within the 681.69 acre Scripps Florida Phase II / Briger Tract Development of Regional Impact (DRI). The Subject site is located on the south side of Donald Ross Road, approximately 1,300 feet east of Interstate 95, Palm Beach Gardens, Florida 33418.

The Subject neighborhood can best be described as the area between Alternate A1A on the east, Indiantown Road on the north, the Florida Turnpike on the west, and PGA Boulevard on the south.

Access in the neighborhood to recreational facilities, shopping, commercial services, public facilities, and other Palm Beach County metropolitan areas is good. The West Palm Beach Central Business District lies approximately thirteen miles to the south. Palm Beach International Airport is also approximately thirteen miles south.

The major east/west roads consist of Donald Ross Road extending from A1A on the east to several miles west of I-95, PGA Boulevard on the southern boundary, and Indiantown Road at the northern boundary of the neighborhood. The major north/south routes within or near the neighborhood are Central Boulevard, Military Trail, Alternate A1A, Interstate 95, and the Florida Turnpike. Interstate 95 has interchanges at Donald Ross Road, PGA Boulevard and Indiantown Road. The Florida Turnpike has interchanges at PGA Boulevard and Indiantown Road.

Military Trail extends nearly the entire distance of Palm Beach County, from north to south. In the Subject area, it is six lane road with a median strip and turning lanes. Central Boulevard runs south from Indiantown Road to PGA Boulevard where it terminates.

PGA Boulevard is a rapidly expanding commercial thoroughfare. PGA Boulevard is considered a primary thoroughfare and provides convenient access to the area for those traveling on any of the major north/south roads such as the Florida Turnpike, Interstate 95, Military Trail and U. S. Highway No. 1.

Palm Beach County traffic counts near the Subject Property are as follows:

<u>Traffic Count Location</u>	<u>July 2013 Average Daily Traffic Counts</u>
Donald Ross Road between I-95 and Central Boulevard:	34,814
Central Boulevard south of Donald Ross Road:	14,298
Hood Road west of Central Boulevard:	7,751
Military Trail south of Donald Ross Road:	24,151

AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

The Subject is identified as Parcel I and Parcel II and are two adjoining vacant parcels of land located in the north/middle portion of the 681.69 acre Scripps Florida Phase II / Briger Tract Development of Regional Impact (DRI).

The Scripps Florida – Phase II / Briger Tract DRI is a proposed multi-use development on approximately 681.69 acres in the City of Palm Beach Gardens. The project site is located immediately east of the Florida Turnpike, south of Donald Ross Road and north of Hood Road. The site is divided north-south into two pieces by I-95. The site is bounded by the Florida Turnpike to the west; the Abacoa DRI to the north, residential properties and Benjamin School to the east, and residential and vacant property to the south. Abacoa, Scripps Phase I and other properties to the north of the project are located in the Town of Jupiter.

The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The development is proposed to occur in four, four-year phases with build-out in 2028.

The Subject site is located just south of the Abacoa DRI. Abacoa is located in the Town of Jupiter north of Donald Ross Road and east of I-95. This 2,055 acre Master-planned, Mixed-Use Community was to be developed over 10 years and includes a Town Center, numerous residential neighborhoods, Florida Atlantic University, Roger Dean Stadium, The Links at Abacoa, municipal playing fields, Public Schools, a Community Plaza and greenways. Abacoa is a new urbanism concept, designed around pedestrian-friendly boulevards with the concept of mixing land uses to create an eclectic flavor and minimize automobile commuting. Abacoa includes elements of traditional neighborhoods, including residential over commercial development in a Town Center, houses with front porches and garages in the rear, small neighborhood parks, and a varied mix of land uses in order to create a self-contained environment. One tenet of the new urbanism concept is the residential neighborhoods are not gated, and Abacoa holds true to this.

The Town Center is a retail, business and entertainment district and is proposed to contain 290,000 square feet in Phase I & II and a total of 440,000 square feet at final build-out. Phases I & II were completed in early 2000. Some of the uses existing or planned in the Town Center include 510,000 square feet of offices, a 20,000 square foot health and fitness club, a common lawn with open-air stage situated on one acre of land, a 4,000 seat theater 16-screen complex plus large screen format theater, 130 room hotel and a 20,000 square foot conference center. The theater tenant (Crowne) vacated their building when the Cobb Theater opened near the Gardens Mall and the theater remained vacant for some time before being demolished in June 2010. Of the 2,055 total acres, the Town Center is situated on approximately 70 acres.

AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

The most recent project in the area is the new Courtyard by Marriott, which is scheduled to open its doors in Abacoa by mid May 2014. The four-story, 128 room hotel is located at 4800 Main Street in the Abacoa Town Center area, across the street from the Roger Dean Stadium.

The Roger Dean Stadium is the spring training facility for the St. Louis Cardinals and Florida Marlins major league baseball teams. It is also the home of the Jupiter Hammerheads Single "A" baseball team. The stadium has a seating capacity of 6,800. In addition to the stadium there are 12 practice / municipal playing fields for little league and other sports.

Security firm G4S Wackenhut moved to their new four-story, 63,000-square-foot building in February 2011. Wackenhut spent two years shopping for space in and out of Palm Beach County. The company moved its headquarters to Palm Beach Gardens from Miami-Dade County in the 1990s.

The Workplace Campus will be located in close proximity to the Town Center, FAU campus, the Honors College and to residential neighborhoods. Further, the Workplace will be electronically "connected" to the Internet via state-of-the-art technology. The Workplace is planned to be the host of a number of different business and corporate users, which would include corporate offices, light industrial, retail / offices, retail and research and development.

Two college campuses are developed within walking distance of the stadium and Town Center. The campuses are the home of the John D. MacArthur Jupiter Campus of Florida Atlantic University and their Honors College. The John D. MacArthur Jupiter Campus of Florida Atlantic University is a commuter-oriented school for junior, senior and graduate students. This campus was estimated to have 12,000 students in year 2012. The Honors College is a four-year liberal arts college complete with dorms and student residents. Only 1,500 top scholars attend this college. In addition to the college campuses, the Palm Beach County School Board has developed two elementary schools and one middle school.

Another recent development that has a significant effect on the City of Palm Beach Gardens and the Town of Jupiter is the construction of the Scripps Research Institute, a California based biotechnology research firm. The facility was built in the Abacoa area adjacent to the Florida Atlantic University campus at Abacoa along the north side of Donald Ross Road. The Scripps Research Institute's 350,000-square-foot, state-of-the-art biomedical research facility officially opened on February 26, 2009. The three new laboratory and administrative buildings, which cost approximately \$187 million to construct, currently house close to 300 employees. According to the Governor's Office, over the next 15 years, Scripps Florida is projected to create 6,500 new jobs and generate about \$1.6 billion in additional income to Floridians, while boosting the state's Gross Domestic Product by \$3.2 billion.

AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

The Munich, Germany based Max Planck Society research institute was recently completed next to the Phase I Scripps research center. The county provided \$87 million and the state another \$94 million for this project. This venture is expected to create approximately 2,000 high wage jobs over the next 20 years. The approximately 100,000 square foot facility was built beside Scripps on a 6 acre tract owned by FAU.

The Briger property is located across the street from Scripps and is planned to be developed with spin off companies created by Scripps patents which are sold to companies who then develop the pharmaceuticals.

There are a number of major residential projects within the area that impact the Subject neighborhood.

Abacoa contains a wide variety of housing types including large- and small-lot single-family detached homes, townhouses, condominiums, free-standing apartments, and apartments above the town center retailers. Front porches, sidewalks, bike paths, and narrow streets make the neighborhoods and the town center more accessible while reducing the number of cars on the road. In addition, the greenway trails connect neighborhoods with pedestrian paths, and a free weekend trolley bus brings residents to and from the town center, stadium, and Abacoa Plaza.

Abacoa includes as many as 5,800 residential units contained within a total of 15 sub-divisions. The current prices range from approximately \$200,000 per unit to over \$1,000,000 for the estate homes.

PGA National is a resort/golf course community located between Northlake Boulevard and PGA Boulevard just west of the Florida Turnpike. The PGA National development contains 2,340 acres and has a potential of 6,900 dwelling units. Sizes range from 2,136 SF to 6,012 SF. PGA National also includes many other type projects such as zero-lot-line homes, condominium developments, and multi-story townhouse developments.

BallenIsles is a golf course community located between Northlake Boulevard and PGA Boulevard just east of the Florida Turnpike. This development is a gated country club style community with a clubhouse, three golf courses, and tennis courts. BallenIsles also includes several other type projects such as zero-lot-line homes and villas.

AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

Mirasol is a newer residential community located approximately 2 miles north of PGA Boulevard off of Jog Road near the Florida Turnpike. This project began development in 2006. Models range from 3 to 5 bedroom homes. Most of the homes range in size from approximately 2,000 SF to 5,000 SF. There are several custom built homes ranging in size from approximately 6,000 SF to 10,000 SF.

Old Palm is a golf course community located just east of the Florida Turnpike on the north side of PGA Boulevard. This community golf course consists of 650 acres with 294+/- homes. The estates range from 3,381 SF to 6,480 SF and custom homes starting at 7,000 SF.

Other projects in the Jupiter / Palm Beach Gardens area include Admirals Cove, Frenchman's Creek, The Bear's Club, Frenchman's Reserve, Jonathans Landings, Mirasol, BallenIsles, Old Marsh, Frenchman's Harbor, Evergreen and San Michelle. Several smaller projects are also active in the immediate neighborhood typically west of Military Trail.

Housing statistics for the Palm Beach Gardens/Jupiter area are as follows:

JUPITER / PALM BEACH GARDENS AREA RESIDENTIAL SALES

<u>TYPE</u>	<u># OF SALES</u>	<u>SALE DATE</u>	<u>MEDIAN SALE PRICE</u>	<u>% CHANGE</u>
SFR	1,588	5/8/10-5/8/11	\$495,774	
	1,698	5/8/11-5/8/12	\$442,268	-10.79%
	2,183	5/8/12-5/8/13	\$523,582	18.39%
	2,209	5/8/13-5/8/14	\$539,874	3.11%
Condos	647	5/8/10-5/8/11	\$181,306	
	680	5/8/11-5/8/12	\$201,974	11.40%
	784	5/8/12-5/8/13	\$206,153	2.07%
	752	5/8/13-5/8/14	\$258,312	25.30%
Townhomes	492	5/8/10-5/8/11	\$186,681	
	606	5/8/11-5/8/12	\$175,153	-6.18%
	595	5/8/12-5/8/13	\$218,573	24.79%
	710	5/8/13-5/8/14	\$232,591	6.41%

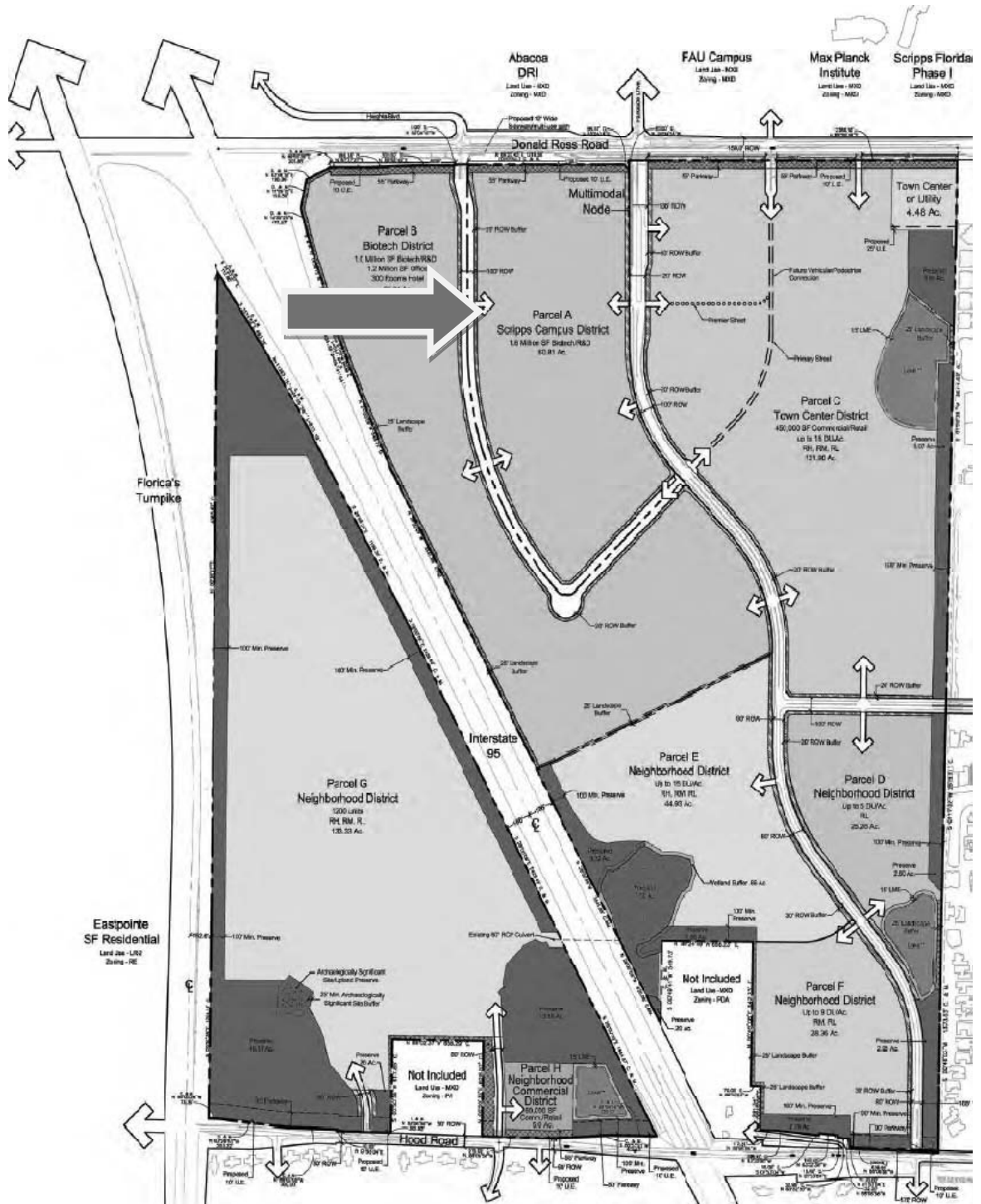
AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

The uses along Donald Ross Road consist of a mix of vacant land, residential development, and neighborhood commercial uses. The Abacoa Plaza contains a 152,670 square foot shopping center and is located on the north side of Donald Ross Road west of Military Trail. The anchor tenant is Publix with other retail tenants including Bank of America, Amoco, and McDonalds.

The Subject site is located just west of the Donald Ross Village an 11-acre mixed use project that was completed in 2007. The retail portion of the development is anchored by a CVS pharmacy, Hilton Hotel, and Gold's Gym. The project contains 196,000+ square feet of retail and restaurant space with the tenants consisting of a mix of national and local businesses. In addition to the retail component, the village includes 156 townhouse units that were developed by Lennar on the adjacent 35 acres.

Conclusion

The Subject neighborhood is in an area, which has experienced very rapid growth in the past fifteen years. The immediate Subject neighborhood is a desirable business location. Future prospects appear optimistic as the Jupiter/Palm Beach Gardens area, in particular, remains a popular and desirable community. However, over the short term, values may continue to remain somewhat depressed as a result of the poor overall economic conditions and soft housing market.



OVERALL SITE PLAN

SITE DATA

SIZE AND SHAPE

A survey showing only the Subject Parcel was not available. The gross site size of 70 acres for the Subject Property is based upon the public records of Palm Beach County (See Extraordinary Assumptions/Special Limiting Conditions). The net site size of 60.81 acres is taken from Scripps Florida Phase II Briger Tract DRI site plan prepared by Urban Design Kilday and presented on the next page. The Subject site is irregular in shape with approximately 1,100 feet of frontage on the south side of Donald Ross Road.

LOCATION AND ACCESSIBILITY

The Subject Property is located within a general area bounded by Donald Ross Road to the north, I-95 to the west, Hood Road to the south and Central Boulevard to the east. More specifically, the Subject Property is located on the south side of Donald Ross Road, approximately 1,300 feet east of Interstate 95 and opposite the Abacoa area. Donald Ross Road is a primary east/west transportation artery that intersects the major north/south arteries of I-95 to the west and Central Boulevard, Military Trail, Alt A1A and U.S. Highway One to the east. The Subject currently does not have an access drive to Donald Ross Road.

TOPOGRAPHY / SOIL CONDITIONS

The as is general topography of the Subject Site is considered to be level and at or near road grade with no infrastructure in place. The site is substantially overgrown with trees and native vegetation, primarily pine flat wood areas with some wetland areas.

Upon completion of the proposed site improvements, the size of the Subject Site will be reduced to 60.81 acres but will address environmental and access concerns and result in a net buildable site size of 60.81 acres. The difference between the gross and net areas amounts to approximately 9.19 acres.



Location Map



BRIGER TRACT
PALM BEACH GARDENS, FLORIDA

SITE DATA (CONT'D)

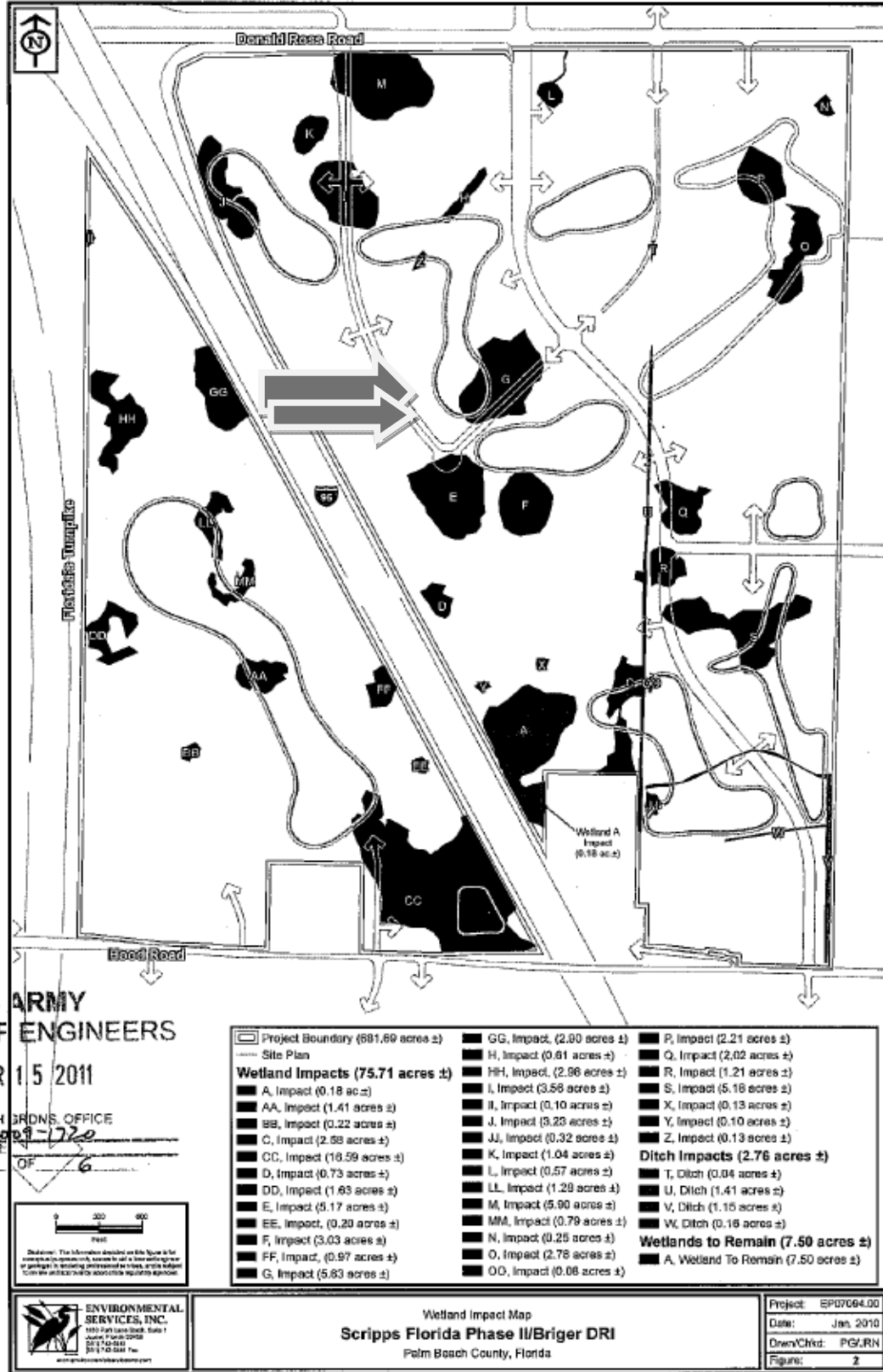
ENVIRONMENTAL ISSUES

Due to the size of the site and physical characteristics of the site, we were unable to inspect all areas of the site. Only a limited inspection of the site was possible. In addition, we are not experts nor do we claim to be experts in the field of environmental contamination. Based on our limited inspection of the site, no evidence of contamination was noted.

During our investigation into the history of the Subject, we were not advised of any previous use which would environmentally impact the property. We were supplied with an environmental assessment of the property. The site plans being approved have addressed the environmental concerns. **We have appraised the site assuming no significant contamination exists.**

PUBLIC UTILITIES

Water and Sewer service is to be provided by the Donald Ross Road improvement project and will be available to the Subject site and is to be provided by Seacoast Utilities. Telephone service is available and will be provided by AT&T or private contractors and electric service will be provided by Florida Power & Light.



WETLANDS MAP

SITE DATA (CONT'D)

ZONING / PERMITTING

The zoning and land use categories appear below:

ZONING: PCD” Planned Community Development by the City of Palm Beach Gardens

LAND USE: Mixed Use

The Subject is a 60.81 acre portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The project is zoned “PCD” Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The development is proposed to occur in four, four-year phases with build-out in 2028.

According to the Scripps Florida – Phase II / Briger Tract DRI, the Subject Site has conceptual approval for development of 1,600,000 square feet of Biotech space. According to Richard Marrero, Senior Planner with the City of Palm Beach Gardens, the developer will need to submit a development application requesting approval of the site plan for a proposed project to the Planning and Zoning Department. Prior to the submittal of any application, the developer will need to meet with the City for a pre-application meeting to review the proposal and at that time, the staff would determine the process (i.e., administrative review or public hearings).

SITE DATA (CONT'D)

CONCURRENCY

In 1985, the Florida Legislature enacted the Local Government Comprehensive Planning and Land Development Regional Act (Chapter 163, Part II, Florida Statutes), commonly referred to as the "Growth Management Act". Pursuant to Section 163.3177 (10) (h), F.S., "it is the intent of the Legislature that public facilities and services needed to support development shall be available concurrent with the impacts of such development." From this statement, the term, the term "concurrency" was derived, and is commonly used to refer to the above legislation and its requirements. The basis of the concurrency concept is Rule 9J-5.0055 of the Florida Administrative Code, which states that: To ensure that facilities and services needed to support development are available concurrent with the impacts of such development, a local government must adopt a concurrency management system. Prior to the issuance of a development order or permit, the system must ensure that the adopted level of service standards required for roads, potable water, sanitary sewer, solid waste, drainage, parks and recreation, and mass transit will be met.

According to Richard Marrero, Senior Planner with the City of Palm Beach Gardens, The phasing of the Scripps Phase II project is based on a proportionate share agreement, which requires payment of monies when a certain number of vehicular trips and building square footage is reached. The total amount of impact fees for the project is estimated to be approximately \$22,000,000 and several partial payments have been paid and some roadway improvements have commenced along Donald Ross Road.

Based on the Proportionate Share Agreement, Palm Beach County has placed in escrow approximately \$6,000,000 for Phase I and Phase II Mobility Improvements (Donald Ross Road from I-95 to Heights Boulevard). Palm Beach County is to be reimbursed by developers as building permits are issued.

SITE DATA (CONT'D)

CENSUS TRACT

The Subject Parcel is located in Palm Beach County Census Tract 2.09, as indicated by the Bureau of the Census.

MSA Code: 48424	State Code: 12	County Code: 099	Tract Code: 0002.09	
Tract Income Level	Middle	Tract Population	6140	
Underserved or Distressed Tract	No	Tract Minority %	20.31	
2013 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$64,600	Minority Population	1247	
2013 Est. Tract Median Family Income	\$72,830	Owner-Occupied Units	1961	
2010 Tract Median Family Income	\$72,656	1- to 4-Family Units	2558	
Tract Median Family Income %	112.74			

FLOOD ZONE

The Subject is located in Flood Zone "B", as indicated by Map Panel #120192 0120B, dated October 15, 1979. Typically Flood Zone "B" classification would not require flood insurance.

ASSESSED VALUATION AND TAXES

The Subject Property is assessed under two individual parcels. The assessments and taxes for 2013 are as follows:

Tax I.D.:	2013 Land Value	2013 Assessed Value	2013 Tax*
52-42-41-26-00-000-1020:	\$ 12,000,000	\$11,880,000	\$ 5,517
52-42-41-26-00-000-1030:	<u>\$ 9,000,000</u>	<u>\$ 7,425,000</u>	<u>\$ 4,138</u>
Total:	\$ 21,000,000	\$19,305,000	\$ 9,655

- The Subject Property is owned by Palm Beach County and therefore is not subject to ad-valorem real estate taxes but is subject to the non ad-valorem taxes.

PROPERTY HISTORY

On February 14, 2006, the Board of Palm Beach County Commissioners voted to locate the Scripps Florida campus in northern Palm Beach County, with an initial phase of 365,000 square feet of bioscience space (known as Scripps Florida Phase I) located on 30 acres within the Abacoa Development of Regional Impact. Simultaneously, the land owner of the adjacent property known as the Briger Tract donated 30 acres to Palm Beach County and sold an additional 40 acres to the County on which to establish the second phase (1.6 million square feet of biotech space) of the Scripps Florida campus (known as Scripps Florida Phase II). The property owner also recorded a deed restriction on 100 acres of their land adjacent to the Scripps Florida campus which restricts that area to biotechnological research and development and ancillary uses. The City of Palm Beach Gardens and the Town of Jupiter also provided \$3 million each to the County to assist in the establishment of the Scripps Florida campus in north Palm Beach County.

As part of the agreement to bring Scripps Florida to the Abacoa and Briger sites, there were two conditions placed on the selection. Namely (i) at least 100 acres total with the potential for 2 million square feet to be provided for Scripps Florida; and (ii), identifying opportunities for up to 6 million square feet of space within five miles of the Scripps Florida campus to accommodate the creation of a bioscience research/biotechnology industry cluster.

The first condition is being addressed through the construction of three Scripps Florida buildings at the Abacoa DRI on 30 acres and, with this application for the Scripps Florida Phase II/Briger Tract DRI, making available an additional 70 acres. The second condition has been addressed through an interlocal agreement between the municipalities of Palm Beach Gardens, Jupiter, Lake Park and Riviera Beach, Mangonia Park and unincorporated Palm Beach County. This coalition of governmental bodies has identified 11.6 million square feet of building area within five miles and 47.5 million square feet of available building area for the bioscience cluster within 10 miles of the Scripps Florida campus.

On May 2, 2006, the Board of County Commissioners (BCC) approved the Grant Agreement with The Scripps Research Institute which included the Ground Lease Agreement as an Exhibit. On February 28, 2006, the BCC approved an Agreement (R 2006-0423) for the Donation and Purchase and Sale with The Lester Family Investments LP, Richard Thall, Robert Thall, Peter L. Briger, Paul H. Briger and the David Minkin Florida Realty Trust for 70 acres of property on the Briger site in Palm Beach Gardens. The Grant Agreement requires the County to obtain development entitlements, environmental permits and water/sewer capacity reservations for the 70 acres (60.81 acres net) to facilitate the construction of an additional 1.6 million square feet of bioscience or related use. The County fulfilled these contractual obligations as of June 29, 2011. Accordingly, Scripps has executed both the Lease Agreement and the Memorandum of Lease. Under the Lease, Scripps is solely responsible for and shall perform any and all improvements repairs alterations or other work necessary to render the 70 acres (60.81 acres net) suitable for Scripps intended use. Upon expiration of the Term (February 6, 2021), provided Scripps is not in default of the Lease or the Grant Agreement, the County will be obligated to convey the property to Scripps for \$1.00.

PROPERTY HISTORY (CONT'D)

A Public Records search for the sales history of the Subject Parcel for the last five years did not reveal any transactions. Public records indicate that 40 acres (Parcel II) of the Subject Property last sold as a portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI) in November 2006 for a total \$8,000,000 as recorded in ORB 21129, Page 0218, Palm Beach County Public Records. The Declaration of Covenants as recorded in ORB 21129, Page 244, Palm Beach County Records, indicate that Parcel I, containing 30 acres, was donated to Palm Beach County. The Subject was not under contract or listed for sale as of the effective date of this appraisal.

PART IV – ANALYSIS OF DATA AND CONCLUSIONS

HIGHEST AND BEST USE

Highest and Best Use is defined by The Appraisal Institute in the publication Real Estate Appraisal Terminology as follows (abbreviated):

Highest and Best Use: *That reasonable and probable use that will support the present value as of the effective date of the appraisal. Alternatively, that use, from among the reasonable, probable, and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.*

A proper analysis of the Highest and Best Use of a site is to examine each segment of the definition.

AS VACANT

Reasonable, Probable, and Legally Permissible

The Subject Property consists of two parcels of vacant land with a gross area of 70 acres and a net usable area of 60.81 acres upon completion of proposed site improvements. The Subject Property is a portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The project is zoned “PCD” Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The development is proposed to occur in four, four-year phases with build-out in 2028.

The Subject Parcel is located just south of the Abacoa area, as well as the FAU northern campus, Scripps Phase I and Max Planck Society research institute and is approved for development of 1,600,000 square feet of biotech research space, which, given the current approvals, is reasonable, probable and legally permissible.

Physically Possible

The Subject Parcel is an irregular shaped parcel with a gross area of 70 acres and a net usable area of 60.81 acres. The size and shape of the parcels would not hinder development. The Subject Property has good frontage along the south side of Donald Ross Road and has adequate depth and width for development. The environmental issues such as wetland mitigation have been addressed in the approvals with on-site wetland preservation and offsite mitigation.

HIGHEST AND BEST USE (CONT'D)

Appropriately supported

The final segment of the Highest and Best Use definition calls for the use to be appropriately supported and financially feasible. The size and location of the Subject site and development trends in the market indicate a mixed use residential/commercial project to be the most likely use as vacant. The following are large projects within the Palm Beach Gardens / Jupiter market that provide support for development similar to the Subject. A 32-acre+/- parcel with approvals for approximately 350,000 square feet of High Tech and Employment Center space located along the north side of Indiantown Road and Interstate 95 is currently under contract. The buyer is negotiating with the Town of Jupiter regarding the approvals. Florida Power and Light purchased a 74.10-acre site that had approvals in place for 882,000 square feet of light industrial, office, and supporting commercial in June 2011. An 18+/- acre tract located along Central Boulevard just south of Hood Road has concurrency approvals for up to 300,000 square feet of retail and professional office use. The developer believes the demand for additional development within this area will continue as the influence of the biotech companies grows. The surrounding residential bases within the Palm Beach Gardens / Jupiter markets are substantial and considered affluent. The existing Scripps Campus and Max Planck Research development that have been developed within the last ten years lend further support that the Subject development would be considered appropriately supported.

Financially Feasible

The last and perhaps the most important segments of the highest and best use definition is that the use must be both appropriately supported and financially feasible. Because of the lingering effects of the recent recession, there has been limited new development. However, based on current trends in the area and predictions by C.B. Richard Ellis, Cushman Wakefield, etc., the real estate markets in general appear to be improving with some evidence of demand for new mixed use development. However, holding for future mixed use development would be the most reasonable option unless the site is developed for owner/user use. These type facilities are not developed for the income potential or resale potential of the real estate but instead for the utility of the improvements for the owner's business but given the size of the Subject Site, there would be few potential users for this size site.

Conclusion As Vacant

Based on the data analyzed, development of the Subject Property with up to 1,600,000 square feet of biotech space is a legal, permitted and viable option. The highest and best use for the Subject Parcel is considered to be holding for future development or for special purpose use.

VALUATION METHODS

In determining the market value of the Subject Property, one of the three standard approaches to value - the Sales Comparison Approach - was considered applicable. This approach is defined as follows:

SALES COMPARISON APPROACH - Traditionally, an appraisal procedure in which market value is predicated upon prices paid in actual market transactions. Current listings are also analyzed to help establish market trends. Recent sales fix the lower limit of value in a static or advancing market (price wise), and listings fix the upper limit of value in a declining market. Listings typically fix the upper limit of value in any market.

The Sales Comparison Approach is a process of analyzing recent sales to derive an indication of the value of the property being appraised. The reliability of this technique is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data, (c) the degree of comparability or extent of adjustment necessary for time differences, and (d) the absence of non-typical conditions affecting the sale price.

(FROM: Real Estate Appraisal Terminology, The Appraisal Institute)

SALES COMPARISON APPROACH TO VALUE (AS IS VALUATION)

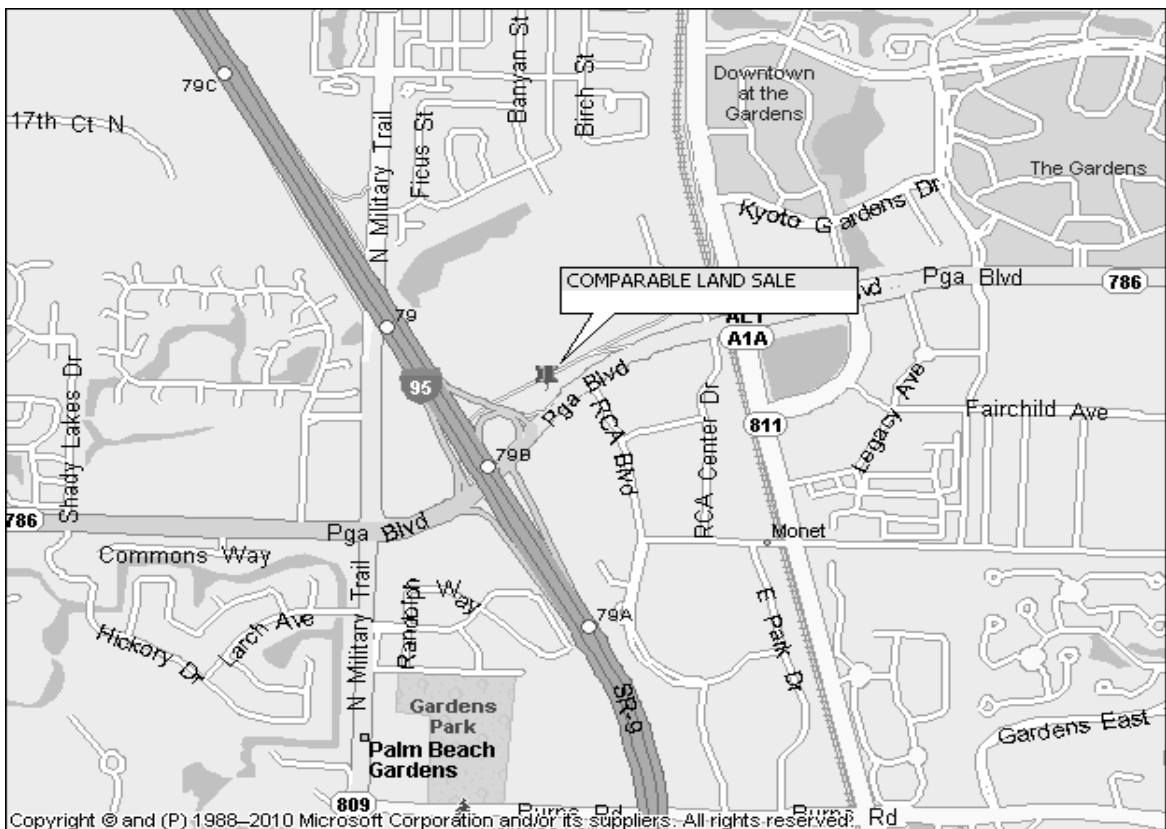
To estimate the as is market value of the Subject Property via the Sales Comparison Approach, a search was conducted to locate and analyze sales data and compare it to the Subject via appropriate units of comparison.

The Sales Comparison Approach is based on the principle of substitution, which states that a prudent buyer would pay no more for a property than the cost of acquiring a substitute property on the open market. Substitution may assume purchase of an existing property, with equal utility, or of acquiring an investment, which will produce an income stream of similar size with similar risk, as the Subject Property.

An analysis of the market is made to ascertain a reliable unit of comparison to the Subject Property. The Subject site is a larger tract of vacant land and will be analyzed on a price per square foot of site area or a price per square foot of proposed or approved building area. Both are commonly used units of comparison for larger commercial or industrial sites.

If possible, adjustments are made to the sales to account for physical or economic differences as compared to the Subject Property. An adjusted sale price is derived from each comparable sale analyzed. These are then weighted according to their relative comparability and applied to the Subject Property to indicate a value. If only limited data is available, the analysis will be made on a qualitative basis. The relevant differences between the Subject and the Comparable Sales will be discussed and considering these differences, a value conclusion for the Subject Property will be made.

A search of the Palm Beach County Public Records, local sales publications, and discussions with other brokers and appraisers familiar with the Subject area produced the following information for analysis.



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COMPARABLE LAND SALE #1

VACANT LAND SALES

REFERENCE NO.: Sale 1

PROPERTY TYPE: Vacant Land

Location: Located at the northwest corner of PGA Boulevard and Alternate A1A, Palm Beach Gardens, Palm Beach County, Florida.

Legal Description: Folio #52-42-42-01-24-000-0010, 0020, 0030, 0040, 0050, 0060, 0080, 0090, 0100, 0110, 0120, 0130, 0140, 0150, 0160, 0170, 015-000, 016-0000 and 023-0000; A lengthy legal of twenty parcels of land in Section 1, of Township 42 South, Range 42 East, as recorded in the Public Records of Palm Beach County, Florida.

Grantor: BR West, LLC

Grantee: Florida Power and Light Company

Size: 74.1 acres (Gross) – 50.8 acres (Usable)

Zoning: “PCD/M-1”, Planned Community Development / Research / Light Industrial Development Area, by Palm Beach Gardens and located within the Bioscience Research Protection Overlay which was designed to help expedite the approval process for proposed developments involving bioscience research.

Land Use: Industrial

Property Description: This sale consisted of 19 separately platted parcels within the proposed 20 lot, PGA North Corporate Center. Three of the parcels totaling 23.30-acres are located along the north side of Kyoto Gardens Drive and serve as drainage and preserve area for the project resulting in 50.80 acres of buildable land. Of the 16 remaining lots 14 lots are located on the south side of Kyoto Gardens Drive and 2 of the lots are located on the east side of RCA Center Drive.

Present Use: Vacant land

Highest and Best Use: Holding for future development

Utilities: Water and sewer extended to site; electricity and telephone are available

Vacant Land Sale #1 (Cont'd)

Concurrency: Approved for development of 882,000 SF at time of sale.

Comments: Prior to this sale, the former owner had entitlements in place for the construction of 882,000 SF of building area consisting of 240,000 SF of office space, 600,000 SF of light industrial space and 42,000 SF of commercial space and had completed the extension of Kyoto Gardens Drive and RCA Center Drive, as well as off-site drainage, extension of water and sewer lines to the site, and initial clearing of the interior roads.

The buyer, FP&L, purchased this bank owned site and has obtained preliminary approvals from the City of Palm Beach Gardens to develop the property with 993,000 square feet of office/research development space.

Sale Price: \$24,000,000

Date: June 28, 2011

Recording: O.R. Book 24604 / Page 0188

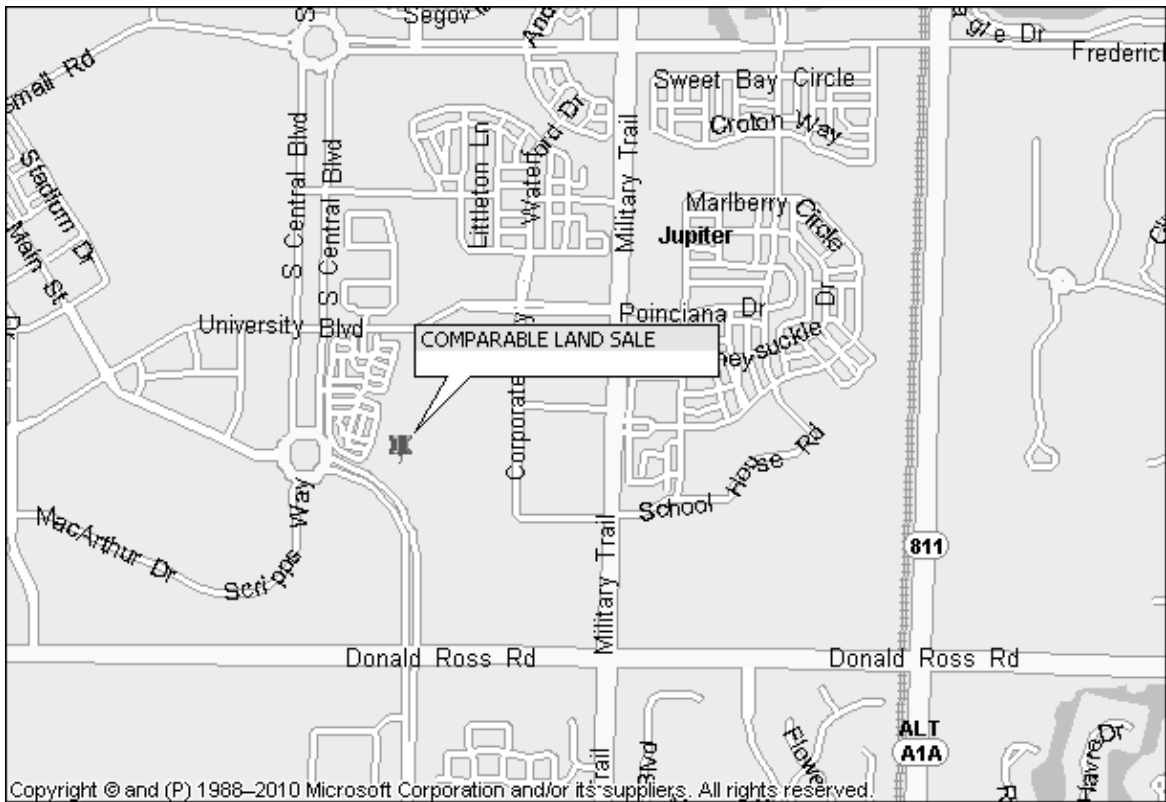
Financing / Terms: Cash to seller

Conditions: Arm's Length

Units of Comparison:

Price per acre:	\$323,887 (Gross), \$472,441 (Usable)
Price per SF:	\$7.44 (Gross), \$10.85 (Usable)
Price/SF of Building Area:	\$27.21 – (\$24.17 at sale)

Verification: Samantha J. Saucier, Area Real Estate Manager, FP&L
561-691-2157, August 9, 2012



COMPARABLE LAND SALE #2

VACANT LAND SALES

APPRAISER'S REFERENCE NO.:	Sale 2
PROPERTY TYPE:	Vacant Land
<u>Location:</u>	Located on the northeast side of Central Boulevard approximately 1,300 feet north of Donald Ross Road in the Abacoa area of Jupiter, Palm Beach County, Florida.
<u>Legal Description:</u>	Folio #'s 30-42-41-24-30-004-0000, 001-0000 and 003-0000; PARCELS A, C and D of ABACOA REPLAT OF TRACT WK4A, according to the plat thereof recorded in Plat Book 112, Page 16, of the Public Records of Palm Beach County, Florida.
<u>Grantor:</u>	WORKPLACE FLORIDA, LTD. A Florida limited partnership
<u>Grantee:</u>	JUPITER HRE INVESTMENTS, LLC., a Florida limited liability company
<u>Size:</u>	9.3456 acres
<u>Zoning:</u>	"CD", Commercial Workplace, by Jupiter
<u>Land Use:</u>	Commercial
<u>Property Description:</u>	The property consists of three irregular shaped parcels of land totaling 9.3456 acres. The site has approximately 200 feet of frontage on the east side of Central Boulevard. The site appears to be approximately at road grade and is overgrown with trees and native vegetation.
<u>Present Use:</u>	Vacant land in native state
<u>Highest and Best Use:</u>	Holding for future development
<u>Utilities:</u>	Water, sewer; electricity and telephone are available
<u>Concurrency:</u>	Preliminary site approvals for 192,028 SF of R&D space

Vacant Land Sale #2 (Cont'd)

Comments: The site is a portion of a larger site designated as "Work Place Florida" and was purchased for development with a 100 bed, 56,426 SF assisted living facility, a 99 bed, 44,690 SF nursing home, 5,200 SF of research-development and 17,600 SF of medical office space for a gross building area of 123,916 SF. According to the Staff Report for the Town of Jupiter, this was equivalent to 192,028 SF of R&D space which is the basis for the original approvals.

Sale Price: \$7,707,677

Date: December 17, 2010

Recording: Book 24298/ Page 0698

Financing / Terms: Cash to seller

Conditions: Arm's Length

Units of Comparison:

Price per acre:	\$824,739
Price per SF:	\$18.93
Price/SF of Building Area:	\$40.14

Verification: P&E File #11-114 and 12-174



COMPARABLE LAND SALE #3

VACANT LAND SALES

REFERENCE NO.:	Sale 3
PROPERTY TYPE:	Vacant Land
<u>Location:</u>	Located at 1801 Palm Beach Lakes Boulevard, on the northeast corner of Palm Beach Lakes Boulevard and Interstate 95 in West Palm Beach, Palm Beach County, Florida.
<u>Legal Description:</u>	Folio #'s 74-43-43-17-37-001-0000 & 74-43-43-17-37-002-0000; Palm Beach Outlets Replat 1, Tract 1 & Tract 2, according to the Public Records of Palm Beach County, Florida. See the addenda for the full legal descriptions contained in the Warranty Deeds.
<u>Grantors:</u>	PB Mall LLC, Macy's Florida Stores, and Dillard's, Inc.
<u>Grantee:</u>	Palm Beach Mall Holdings, LLC
<u>Size:</u>	86.16 acres - usable
<u>Zoning:</u>	"CPD", Commercial Planned Development by the City of West Palm Beach
<u>Land Use:</u>	Commercial by West Palm Beach Gardens
<u>Property Description:</u>	The property consisted of multiple parcels that were part of the Palm Beach Mall development. The irregular shaped site totals 86.12 acres and was improved with 1,400,000 +/- square feet of retail space. The site has approximately 900 feet of frontage along the west side of Congress Avenue, 2,400 feet of frontage along the north side of Palm Beach Lakes Boulevard, and 2,500 feet of frontage or exposure along Interstate 95. At the time of purchase, the site was fully improved.
<u>Present Use:</u>	Retail development
<u>Highest and Best Use:</u>	Redevelopment with a large scale commercial use.
<u>Utilities:</u>	Water, sewer, electricity and telephone are available
<u>Concurrency:</u>	Zoning approvals for 1,400,000 SF of retail development

Vacant Land Sale #3 (Cont'd)**Comments:**

The buyer purchased the mall property out of receivership. The site had been marketed for several years prior to the sale with a variety of uses being proposed for the site. The sale included the mall property as well as the assemblage of the out parcels owned by Dillard's, Inc. and Macy's Florida Stores, LLC. The sales price totaled \$35,500,000 for all three parcels. The buyer has demolished the existing improvements and is developing the Palm Beach Outlet Mall on the site. The buyer completed an amendment and master plan after the sale that was approved by the City of West Palm Beach for development of 1,400,000 square feet of retail space. The improvements will include retail outlet space, in-line retail, big box retail, and out parcel space. Phase I of the project was completed in February 2014.

Sale Prices:

\$35,500,000 - Total
 \$25,000,000 PB Mall
 \$5,000,000 Macy's / \$5,500,000 Dillards

Date:

October 21, 2011

Recording:

O.R. Book 24808 / Pages 1316, 1348, & 1365

Financing / Terms:

Cash to seller

Conditions:

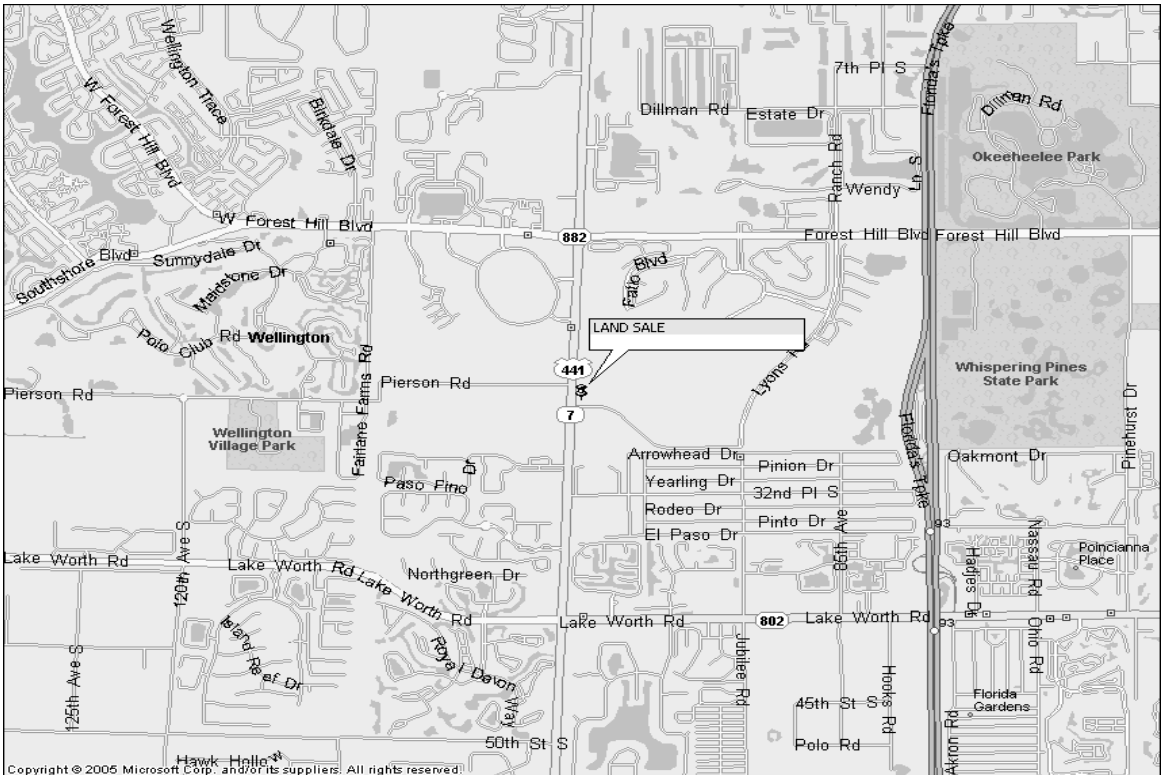
Arm's Length

Units of Comparison:

Price per Gross acre:	\$412,024
Price per SF Gross:	\$9.46
Price/SF of Approved Building Area:	\$25.36

Verification:

Public Records information &
 Bruce Loring, Esq., Closing Attorney
 312-715-5855
 May 2014



COMPARABLE LAND SALE #4

VACANT LAND SALES

REFERENCE NO.: Sale 4

PROPERTY TYPE: Vacant Land

Location: Located at 3200 S. State Road 7, on the east side of S. State Road 7, approximately ¼ mile south of Stribling Way in the Village of Wellington, Palm Beach County, Florida.

Legal Description: Folio #73-42-43-27-05-025-0070; PALM BEACH FARMS CO PLAT NO 3 TR 7 BLK according to the Plat thereof, recorded in Plat Book 2, Page 45 to 54 of the Public Records of Palm Beach County, Florida.

Grantor: SR7, Inc.

Grantee: Charter PB Wellington, LLC

Size: 8.82 acres (Usable)

Zoning: "CC", Community Commercial by Village of Wellington

Land Use: Community Commercial

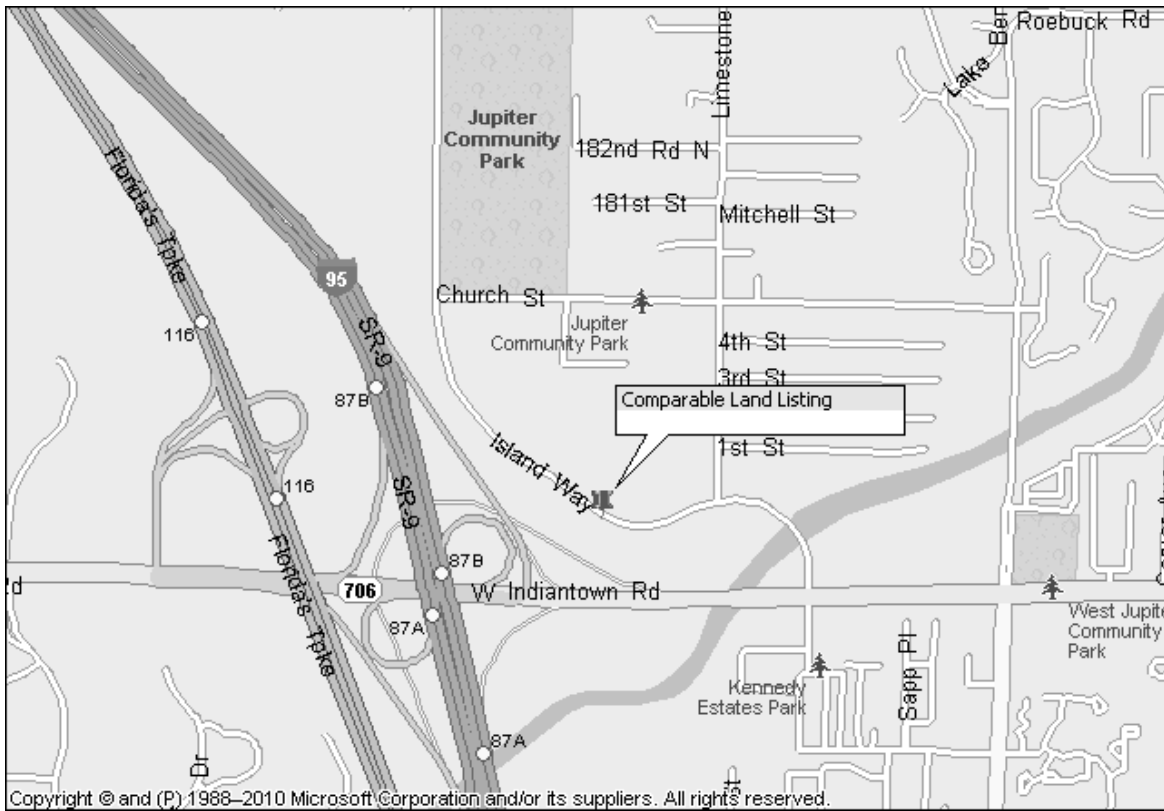
Property Description: A rectangular shaped parcel with approximately 650' of frontage on the east side of South State Road 7. The site was partially cleared and being utilized for heavy equipment storage. Access to the site is only available from a frontage road that runs parallel with State Road 7 due to a canal located along the western boundary of the site.

Present Use: Vacant land

Highest and Best Use: Holding for future commercial development

Vacant Land Sale #4 (Cont'd)

<u>Utilities:</u>	Water, sewer, electricity and telephone are available
<u>Concurrency:</u>	Approved for a 75,000 SF charter school and a 15,000 SF daycare.
<u>Comments:</u>	The site was purchased for the development of a 75,000 SF charter school and a 15,000 SF daycare facility. Upon completion the improvements will be leased to a charter school and daycare operator. Improvements are partially constructed as of the 2 nd quarter of 2014.
<u>Sale Price:</u>	\$2,600,000
<u>Date:</u>	December 28, 2012
<u>Recording:</u>	25682/180
<u>Financing / Terms:</u>	Cash to seller
<u>Conditions:</u>	Arm's Length
<u>Units of Comparison:</u>	
Price per acre:	\$294,785 (Usable)
Price per SF:	\$6.77 (Usable)
Price/SF of Building Area:	\$28.89
<u>Verification:</u>	P&E File #13-143



COMPARABLE #5 (CONTRACT)

VACANT LAND SALES

REFERENCE NO.:	Sale 5 (Listing plus Confidential Contract)
PROPERTY TYPE:	Vacant Land
<u>Location:</u>	Located at the northeast quadrant of the intersection of Indiantown Road and Interstate 95 in Jupiter, Palm Beach County, Florida.
<u>Legal Description:</u>	Folio #30-42-41-04-00-000-1160; A lengthy legal of a parcel of land in Section 33, of Township 43 South, Range 42 East, as recorded in the Public Records of Palm Beach County, Florida.
<u>Grantor:</u>	N/A - Listing
<u>Grantee:</u>	N/A - Listing
<u>Size:</u>	51.869 acres
<u>Zoning:</u>	"I-2", Industrial, by the Town of Jupiter
<u>Land Use:</u>	"MXD" Mixed Use by the Town of Jupiter
<u>Property Description:</u>	The parcel is irregular shaped with substantial frontage on both Indiantown Road and the northbound on-ramp to Interstate 95 (no access to either). The site is accessed by Island Way which bisects the property and connects to Indiantown Road approximately 900 feet east of the site. The site is raw land that is overgrown with trees and native vegetation.
<u>Present Use:</u>	Vacant land
<u>Highest and Best Use:</u>	Hold for future mixed use development
<u>Utilities:</u>	Water, sewer, electricity and telephone are available
<u>Concurrency:</u>	Approved for 350,000 SF of development

Vacant Land Sale (Listing and Contract) #5 (Cont'd)

Comments:

This is a listing for sale of a vacant site approved for a mixed use development of up to 350,000 SF. According to the listing broker, the property has been listed for sale for approximately four years at \$26,000,000 **and 32.5 acres of the site, on the north side of Island Way, is currently under contract.** The actual amount of the contract is confidential but near the original \$500,000 per acre asking price for the entire property which equates to approximately \$16,250,000 for the ± 32.5 acre site.

The listing broker indicated that the property generated a considerable amount of interest but at an allowable building area of 350,000 square feet for the entire site, the price per allowable building area is \$74.29/SF and considered excessive. The prospective buyers were making offers in the \$25 to \$35/SF of building area (roughly \$9,000,000 to \$12,000,000).

The prospective buyer of the 32.5 acres located on the north side of Island Way intends is negotiating with the Town of Jupiter for site approvals to develop the site with mixed office and industrial development based on the current approvals for 350,000 square feet of building area.

Listed Price:

\$26,000,000

Date:

Current Contract (Confidential)

Recording:

N/A

Financing / Terms:

N/A

Conditions:

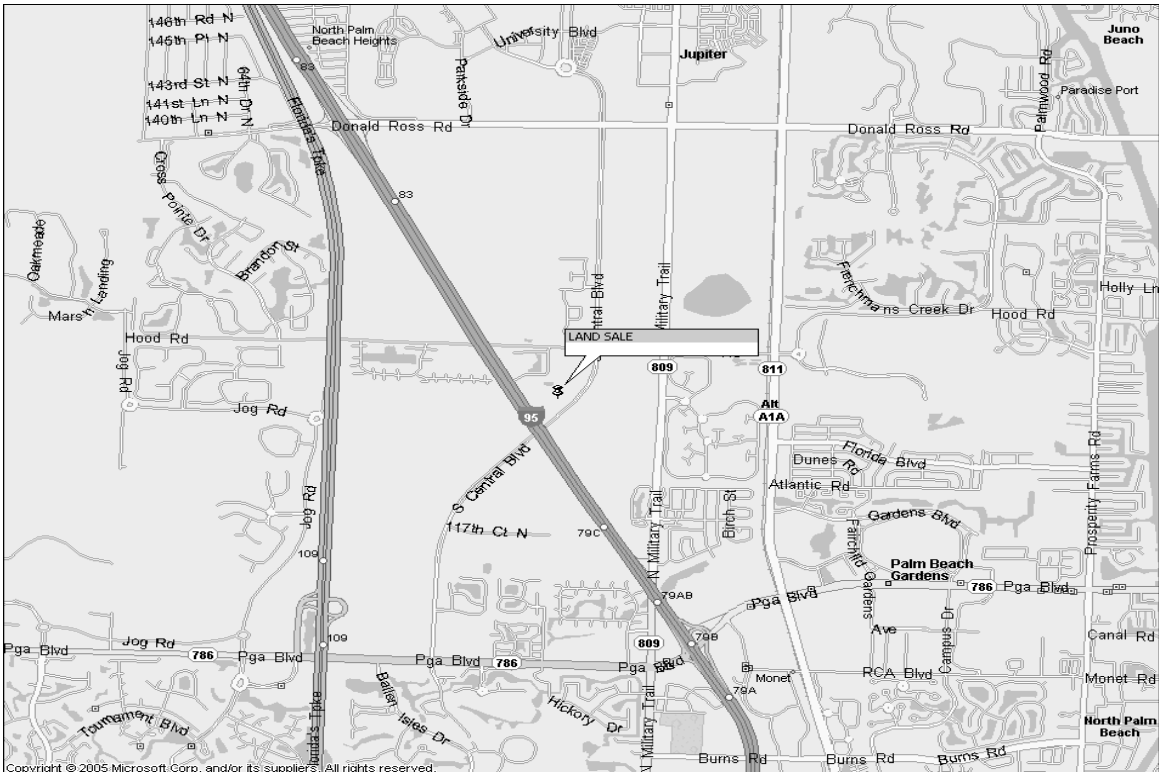
N/A

Units of Comparison:

	<u>As Listed</u>	<u>Per Contract</u>
Size (Acres):	51.86	± 32.5
Price per acre:	\$501,345	± \$500,000
Price per SF:	\$11.51	± \$11.48
Price/SF of Building Area:	\$74.29	± \$46.43

Verification:

Christopher Thomson, Listing Broker
561-227-2019
May 12, 2014



COMPARABLE #6 (LISTING)

VACANT LAND SALES

REFERENCE NO.:	Sale 6 (Listing)
PROPERTY TYPE:	Vacant Land
<u>Location:</u>	Located on the west side of Central Boulevard approximately 650 feet south of Hood Road, Palm Beach Gardens, Palm Beach County, Florida.
<u>Legal Description:</u>	Folio #'s 52-42-41-35-13-002-0000, 53-42-41-35-13-016-0020, 52-42-41-35-13-012-0020, 52-42-41-35-13-012-0050; Multiple legal descriptions including Central Gardens Tract B as recorded in the Public Records of Palm Beach County, Florida. A copy of the deeds are located within the addenda of this report.
<u>Grantor:</u>	N/A - Listing
<u>Grantee:</u>	N/A - Listing
<u>Size:</u>	18.14 acres (Total) / 13.66 acres (Effective)
<u>Zoning:</u>	"MXD", Mixed by Palm Beach Gardens
<u>Land Use:</u>	"Commercial" Mixed Use by Palm Beach Gardens
<u>Property Description:</u>	The parcel is irregular shaped with 1,500 feet of frontage on along the west side of Central Boulevard. The site exists in its natural state and is overgrown with trees and native vegetation. Access is available from Central Boulevard.
<u>Present Use:</u>	Vacant land
<u>Highest and Best Use:</u>	Hold for future mixed use development
<u>Utilities:</u>	Water, sewer, electricity and telephone are available
<u>Concurrency:</u>	Approved for 300,000 SF of development

Vacant Land Sale (Listing) #6 (Cont'd)

Comments: This is a listing for sale of a vacant site approved for a mixed use retail/office development of up to 300,000 SF. The property is not being actively marketed with the owner choosing to hold the property while market conditions improve. The Scripps biotech hub and associated development will heavily influence the surrounding development including this property. The shown listing price was provided by the owner and is based on the future potential of the property. If the property was fully developed, a parking garage would be needed to satisfy parking requirements

Listed Price: \$17,000,000

Date: Current Listing

Recording: N/A

Financing / Terms: N/A

Conditions: N/A

Units of Comparison:

Price per acre: \$937,158

Price per SF: \$21.51

Price/SF of Building Area: \$56.67

Verification: Ronnie Pertnoy, Owner
561-248-8315
May 13, 2014

SALES COMPARISON ANALYSIS

VACANT LAND SALES SUMMARY CHART

SALE	DATE	BOOK/ PAGE	LOCATION	SALES PRICE	SIZE / SF SIZE / AC	SALE PRICE/ PER SF PER ACRE	PRICE/SF BUILDING AREA	ZONING/LAND USE	COMMENTS
1	Jun-11	24604/0188	Located along Kyoto Gardens Drive and RCA Center Drive between Military Trail and Alternate A1A, Palm Beach Gardens	\$24,000,000	2,212,848	\$10.85	\$27.21	PCD/M1 Planned Community Dev. Research / Light Industrial	This is 19 separately platted parcels within the proposed 20 lot, PGA North Corporate Center. Three of the parcels totaling 23.30-acres are located along the north side of Kyoto Gardens Drive and serve as drainage and preserve area for the project resulting in 50.80 acres of buildable land. Of the 16 remaining lots 14 lots are located on the south side of Kyoto Gardens Drive and 2 of the lots are located on the east side of RCA Center Drive. At the time of sale, the site had entitlements in place for the construction of a total of 882,000 SF of building area consisting of 240,000 square feet of office space, 600,000 square feet of light industrial space and 42,000 square feet of ancillary commercial use. The seller indicated no infrastructure was in place except for a Seacoast utility pipe thru the middle of the site but the individual lots are not connected. Also a lift station was put in between the preserve and water management tract on the north side of Kyoto Gardens Drive however, it is not connected to the property. The buyer has increased the entitlements to 993,000 square feet of building area.
		11-010			3,227,796	\$7.44	\$24.17			Office / Industrial Palm Beach Gardens
					50.80 Usable	\$472,441	(at sale)		
					74.10 Total	\$323,887	(current)		
2	Dec-10	24298/0698	XXXX Central Boulevard, on the east side of Central Boulevard, approximately 1,300 feet north of Donald Ross Road, Abacoa area of Jupiter.	\$7,707,677	407.094	\$18.93	\$40.14	CD	An assemblage of 3 irregular shaped parcels with approximately 200 feet of frontage on the east side of Central Boulevard. The site appears to be approximately at road grade and is overgrown with trees and native vegetation. The site is a portion of a larger site designated as "Work Place Florida" and was purchased for development of a 100 bed, 56,426 SF assisted living facility, a 99 bed, 44,690 SF nursing home, 5,200 SF of research-development and 17,600 SF of medical office space for a total development of 123,916 SF, which according to a Staff Report from the Town of Jupiter was equivalent to 192,028 SF of R&D space.
		11-114			9.35	\$824,739	Commercial Workplace Commercial MXD Jupiter		
3	Oct-11	24808/1365	On the northeast corner of Palm Beach Lakes Boulevard and Interstate 95, West Palm Beach	\$35,500,000 (Effective)	3,753,130	\$9.46	\$25.36	CPD	An irregular shaped parcel with approximately 2,200' of frontage along the north side of Palm Beach Lake Boulevard, 1,400' of frontage along the west side of Congress Avenue, and 2,500' of exposure along the east side of I-95. The site was improved with the Palm Beach Mall at the time of purchase as well as improved outparcels owned by Dillard's and Macys. The sale price reflects the total cost for the purchase of all three properties. The site was approved for the development of 1,400,000 SF of building area to be known as the Palm Beach Outlet Mall with Phase 1 opening in 1st quarter 2014. The Palm Beach Mall sold out of bankruptcy but had been marketed for an extended period prior to sale.
		24808/1316			86.16	\$412,024	Commercial Planned Dev Commercial West Palm Beach		
		24808/1348							
		14-089							
4	Dec-12	25682/180	The west side of S. State Road 7, approximately 1/4 mile south of Stribling Way, Wellington	\$2,600,000	384,199	\$6.77	\$28.89	CC	A rectangular shaped site located on the east side of S. State Road 7 with approximately 650' of frontage. The site is partially cleared and was being utilized for heavy equipment and materials storage. The site was approved for the development of a 75,000 square foot charter school and a 15,000 square foot daycare facility. Access to the site is currently available from a frontage road that runs parallel with State Road 7 and intersects with Palomino Drive to the south.
		13-143			8.82 Usable	\$294,785	Community Commercial Community Commercial Wellington		
5	May-14	Listing	Located at the northeast corner of Indiantown Road and Interstate 95, Jupiter	\$26,000,000 (Listing)	2,259,045	\$11.51	\$74.29	"1-2"	This site consists of an irregular shaped parcel that is bisected by Island Way. The site has approximately 2,500 feet of frontage along the northbound access to I-95. This site has concurrency approval for development with 350,000 SF of High Technology and Employment Center space. The site has been on the market for approximately 4 years and has had offers ranging from \$25 to \$35 per SF of buildable area. The current contract is for the ± 32.5 acre portion of the site on the north side of Island Way. The site appears to be mostly level with road grades and is overgrown with trees and native vegetation.
		Contract (5-14)	Located on the north side of Island Way at the northeast corner of Indiantown Road and Interstate I-95, Jupiter	\$16,250,000 (Contract)	1,415,700	\$11.48	\$46.43	Land Use, MXD Mixed Use	
		14-088		32.50	\$500,000	(350,000 SF)	Jupiter		
6	LISTING	N/A	Located on the west side of Central Boulevard just south of Hood Road, Palm Beach Gardens	\$17,000,000 (Listing)	790,176	\$21.51	\$56.67	MXD	This site consists of an irregular shaped parcel that has approximately 1,500' of frontage along the west side of Central Boulevard. The site has concurrency approvals for up to 300,000 SF of retail and professional office use. Due to parking requirements a parking garage would have to be built if the site was developed to its maximum density. The developer is not actively marketing the project at this time choosing to hold the property while market conditions improve. The development of the Briger Tract to the north will influence the surrounding communities as well as this parcel. Property currently exists in its natural state. The effective site size is based on the current approvals.
		14-089			18.14 (Total)	\$937,158	Mixed Commercial Palm Beach Gardens		
					595,030 13.66 (Effective)				
Subject	Nov-06	21129/0218	Located on the south side of Donald Ross Road, opposite Parkside Drive, within the Scripps Florida Phase II / Briger Tract PCD, Palm Beach Gardens	\$8,000,000 "Gifted"	1,742,400	\$4.59		"PCD", Planned	The Subject is a 70 gross acre (60.81 acres net) portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The Subject is zoned "PCD" Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Subject Site has approval for 1,600,000 SF of development. The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The development is proposed to occur in four, four-year phases with build-out in 2028.
					40.00			Community Development Palm Beach Gardens	
					1,306,800			MXD, Mixed Use	
					30.00				
					60.81 (Net Acres)				

SALES COMPARISON SUMMARY AND CONCLUSION

The Subject is a 70 gross acre portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The project is zoned "PCD" Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The development is proposed to occur in four, four-year phases with build-out in 2028.

The Subject Property is located just south of the Abacoa area, as well as the FAU northern campus, Scripps Phase I and Max Planck Society Research Institute and is approved for development of 1,600,000 square feet of biotech research.

A sales search was conducted to locate and analyze land sales and listings and compare them to the Subject via the appropriate units of comparison. All of the comparables will be analyzed on a price per square foot of proposed or approved building area which is a commonly used unit of comparison for properties similar to the Subject and best interprets the available data. Five comparable sales and one listing, as shown on the chart on the facing page, have been included for analysis to estimate the market value of the Subject Parcel. Because of the limited sales data available and the numerous differences between the sales and the Subject, most of our analysis will be on a qualitative basis.

The differences between the sales and the Subject Property will be discussed and from the analysis of the sales, a conclusion will be made which will be applied to the Subject Parcel. The sales have been analyzed as follows:

CONDITIONS OF SALE

All of the comparables were reported to be arm's length transactions and considered to be similar in this respect. Comparable #6 is a listing/asking price for a parcel of land on the west side of Central Boulevard, approximately 650 feet south of Hood Road, in Palm Beach Gardens with preliminary approvals for commercial mixed use and is considered to represent the high end of value.

LAND SALES ANALYSIS (CONT'D)

FINANCING

All of the comparable sales involved cash to the seller or typical financing. Since favorable financing was not reported to have impacted the purchase price of the comparable sales, all of the comparables were considered to be similar.

DATE OF SALE

This adjustment is generally required when a significant increase or decrease in value due to changing market conditions has occurred during the time period of comparable sale dates to the prevailing market conditions affecting the Subject's date of valuation. The Comparables range in date of sale from December 2010 to a current contract and a current listing. The real estate market had been trending downward between 2010 and 2012, coinciding with the recent recession. However, prices have tended to stabilize and have improved in many areas during the past 24 months. Taking this into account, all of the comparables were considered to be reasonably similar.

LOCATION/ACCESS

The Subject Property is located on the south side of Donald Ross Road between I-95 to the west and Central Boulevard to the east. The site has approximately 1,100 feet of frontage on the south side of Donald Ross Road. Additionally, the Subject site is located across the street from Scripps Florida Phase I, Max Planck Society research institute, the FAU northern campus and Abacoa Town Center. The Subject Site is to be part of Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI) to consist of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel..

Taking into consideration access, visibility, demographics and exposure, Comparables #1, #2 and #5 were considered to be reasonably similar. Comparable #3 was considered to be superior with good exposure from three primary roads (I-95, Palm Beach Lakes Boulevard and Congress Avenue but inferior with regard to demographics. Overall, Comparable #3 was considered to be slightly inferior. Comparable #4 is located in an area with inferior overall demographics and was therefore considered to be inferior. Comparable #6 was considered to be slightly inferior based on commercial exposure.

LAND SALES ANALYSIS (CONT'D)

SIZE

The Subject Site, as is, contains a gross area of 70+/- acres and a net area of 60.81 acres upon completion of the proposed infrastructure. The comparables ranged in size from 8.82 acres to 86.16 acres of gross site area and from 8.82 acres to 86.16 acres of usable area. Typically, a smaller site will sell for more on a price per square feet of site area or buildable area basis than a larger site based on the economies of scale concept, all other factors being similar. Conversely, a larger site will sell for less on a price per square foot basis than a smaller site. Comparable #1 has a usable site area of 50.8 acres and was considered to be reasonably similar. Comparables #2, #4, #5 and #6 are significantly smaller than the Subject and were therefore considered superior. Comparable #3 was most similar in size and buildable area relative to the Subject and was considered similar.

UTILITIES

The Subject Site will have water and sewer service available as part of the Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). All of the Comparables were considered to be reasonably similar.

ZONING/APPROVALS/DENSITY

The Subject is a 70 acre gross and 60.81 acre net portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI) and has preliminary approvals for development of 1,600,000 square feet of biotech development.

Comparable #1 had zoning approvals for development with 880,000 SF of office/research and development space and because of a superior land to building ratio was considered superior. Comparable #2 had zoning approvals for development with 192,028 SF of R&D development but was purchased for development of 123,916 SF of mixed use and was considered to be superior to the Subject. Comparable #3 was purchased with approvals for development of the 1,400,000 SF Palm Beach Outlets Mall and because of a superior land to building ratio was considered to be superior. Comparable #4 was purchased with approvals for development of a 75,000 SF charter school and a 15,000 SF day care facility and because of a superior land to building ratio was considered to be superior. Comparable #5 is a current contract for purchase of a site with preliminary approvals for 350,000 SF of mixed use development and was considered reasonably similar. Comparable #6, a listing, has preliminary approvals for development with 300,000 SF of retail and office use and was considered to be similar.

LAND SALES ADJUSTMENT GRID

SALE #	\$/SF of Buildable Area	Financing	Market Conditions	Adjusted \$/SF of Bldg Area	Location / Access	Size	Utilities	Zoning / Approvals/ Density	Physical Characteristics	Overall Indication	ADJ. \$/SF of Bldg Area
1	\$27.21	0%	0%	\$27.21	Similar	Similar	Similar	Superior	Sl. Superior	Sl. Superior	\$27.21
2	\$40.14	0%	0%	\$40.14	Similar	Superior	Similar	Superior	Similar	Superior	\$40.14
3	\$25.36	0%	0%	\$25.36	Sl. Inferior	Similar	Similar	Superior	Similar	Sl. Inferior	\$25.36
4	\$28.89	0%	0%	\$28.89	Inferior	Superior	Similar	Superior	Sl. Superior	Sl. Superior	\$28.89
5	\$46.43 (Contract)	+/- 0%	0%	\$46.43	Similar	Superior	Similar	Similar	Similar	Superior	\$46.43 (Contract)
6	\$56.67 (Listing)	0%	0%	\$56.67	Sl. Inferior	Superior	Similar	Similar	Similar	Superior	\$56.67 (Listing)
	\$37.45	Unadjusted Mean Including Listing						Slightly Inferior			\$25.36
								Average Slightly Superior			\$28.05
	\$33.60	Unadjusted Mean Excluding Listing						Average Superior Excluding Listing			\$43.28

LAND SALES ANALYSIS (CONT'D)

PHYSICAL CHARACTERISTICS

The Subject Property "as is" is a slightly irregular, 70 gross acre, shaped site within the Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The Subject is vacant, raw land that is overgrown with trees and native vegetation.

Comparable #1 is reasonably similar to the Subject as to being overgrown with trees and native vegetation. However, Comparable #1 had some infrastructure in place and was considered slightly superior. Comparable #3 was improved with the former Palm Beach Mall and required clearing of the site. On this basis, Comparable #3 was considered reasonably similar. Comparable #4 had been partially cleared and was utilized for equipment storage and, on this basis was considered to be slightly superior. Comparables #2, #5 and #6 were considered to be similar to the Subject.

CONCLUSION

Overall, Comparable #3 at \$25.36 per square foot of allowable building area was considered slightly inferior. Comparables #1 and #4 ranged from \$27.21 to \$28.89 per square foot of allowable building area and were considered to be slightly superior. Comparables #2, #5 and #6 ranged from \$40.14 to \$56.67 per square foot of buildable area and were considered superior. Comparable #6 is a listing that appears to be well above the range of the actual sales, making it an unreliable indicator of value.

Based upon the above analysis and giving greater weight to Comparables #1, #3 and #4 which appear to be most similar overall to the Subject, a price per square foot of building area conclusion for the Subject Parcel of \$27.00/SF is considered to be reasonable. Based upon this conclusion, the value for the Subject Property is estimated as follows:

$$1,600,000 \times \$27.00 = \$43,200,000$$

INDICATED VALUE VIA SALES COMPARISON APPROACH

FORTY THREE MILLION TWO HUNDRED THOUSAND DOLLARS

\$43,200,000

PROSPECTIVE VALUE (UPON COMPLETION OF INFRASTRUCTURE)

The Subject is known as Parcel A, a 70-acre (gross) / 60.81-acre (net) portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The project is zoned "PCD" Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The Subject parcel is approved for 1,000,000 square feet of biotech / R&D space, 1,200,000 square feet of office space, and a 300 room hotel.

The Subject site known as Parcel A is located on the south side of Donald Ross Road, opposite Parkside Drive, between Interstate 95 to the west and Central Boulevard to the east. Based on the provided site plan, access to the site will be available from interior roads that will be extended south from Donald Ross Road. Heights Boulevard, which currently terminates at Donald Ross Road, will be extended south through Parcel B and will be known as Pastuer Boulevard which will be extended to the east to a north/south road to be known as Alton Road. Upon completion of the road system within this portion of the Briger Tract, access will be available from the primary surrounding roads including Donald Ross Road to the north, Hood Road to the south, and Central Boulevard to the east. In addition to the road ways, infrastructure and improvements to be completed within the Subject parcel will include clearing of the existing vegetation, fill, drainage, utilities, lighting, wetlands mitigation, upland preserves, right of way buffers, and the creation of 22.95-acres of lakes.

Based on the Unit of Development No. 2C, Report of Engineer completed for the Northern Palm Beach County Improvement District, dated January 10, 2014 Community Improvements planned for the Briger Tract will include a surface water management system, off-site roadways, on-site roadways, lighting, water, sewer, landscape and hardscape improvements, inspection fees, and wetland/preserve and enhancements. As of the date the report none of the improvements have been completed. Exhibit D-2 of the report provides an allocation of cost for the benefits provided from the implementation and/or construction of the improvements authorized in the proposed Plan of Improvements.

To establish a fair and equitable apportionment of the Amount of Determined Benefits to be incurred or derived as a result of the implementation and construction of the improvements authorized by the Plan for any portion of the Assessable Real Property in the Unit that is platted will be based in part on the level of utilization of certain improvements. The District Engineer has determined that there are nine primary Land Use Classification Categories for the Assessable Real Property. The Subject (Parcel A) is designated Biotech A, Scripps Campus District.

PROSPECTIVE VALUE (CONT'D)

The following factors were considered in determining the extent to which land designated to a Land Use Classification category would benefit from the implementation and construction of the Plan: (i) surface water runoff and the percent impervious surface area of each of the nine land uses, (ii) average daily on-site and off-site traffic trips generated by each of the nine land uses, (iii) acreage of land in each of the nine land uses, and (iv) water and sewer demand for each of the nine land uses.

Use of these Land Use Classifications results in the allocation of Determined Benefits for Community Infrastructure as indicated in the table below.

TABLE 1

Land Use Classification	Amount of Determined Benefit	Minimum Area Designation (Acres)	Maximum Benefit Per Acre
Biotech A	\$14,006,977	59.57	235,134.75
Biotech B	8,290,901	32.50	255,104.63
Office	10,897,459	40.53	268,873.88
Hotel	1,491,554	2.00	745,776.99
Commercial/Retail	8,274,866	40.67	203,463.64
Apartment	3,248,575	13.00	249,890.37
Townhome - Residential	5,769,556	36.12	159,733.01
Single Family - Residential	26,506,830	230.20	115,146.96
Utility	341,660	5.00	68,332.05
Total	\$78,828,378	459.59	

(Source: Exhibit D2 of Unit of Development No. 2C, Report of Engineer dated January 10, 2014)

Based on the provided table the Determined Benefit or infrastructure costs allocated to the Subject (Parcel A) totals **\$14,006,977** or approximately 18% of the total Community Infrastructure.

To arrive at our prospective value we will apply the allocated Determined Benefit for the planned improvements for Parcel A to our Fee Simple Land Value as well as an entrepreneurial profit for the risk involved with completing the project.

Based on our Highest and Best Use conclusion that the planned project is considered appropriately supported and financially feasible the inclusion of an entrepreneurial profit in our analysis is reasonable. Although the demand for Biotech space within Palm Beach County suffered similar to the rest of the real estate market during the recession (2007 – 2011) there are signs that demand and interest is increasing. Currently, the owners of the adjoining Parcel B have received two separate offers to purchase a 5-acre parcel and a 3-acre parcel for \$1,000,000 per acre and \$750,000 per acre respectively within Parcel B. The offers were based on the completion of the planned infrastructure.

PROSPECTIVE VALUE (CONT'D)

The following are large projects within the Palm Beach Gardens / Jupiter market that provide support for development similar to the Subject.

-A 32-acre+/- parcel with approvals for approximately 350,000 square feet of High Tech and Employment Center space located along the north side of Indiantown Road and Interstate 95 is currently under contract. The buyer is negotiating with the Town of Jupiter regarding the approvals.

-Florida Power and Light purchased a 74.10-acre site that has approvals in place for 993,000 square feet of office and office/research space in June 2011.

-An 18+/- acre tract located along Central Boulevard just south of Hood Road has concurrency approvals for up to 300,000 square feet of retail and professional office use. The developer believes the demand for additional development within this area will continue as the influence of the biotech companies grows.

According to an article published in the South Florida Business Journal in October 2013 other areas in the South Florida Market are investing in Biotech / R&D projects.

-Nova Southeastern University broke ground in February 2014 on the Center for Collaborative Research. The \$80 million dollar project will contain approximately 215,000 square feet of building area that will be utilized by researchers.

-Florida Atlantic University is actively looking for land to build on or near Scripps in Jupiter. The Research Park at Florida Atlantic University goal is to capture economic activity that is generated from the existing research facilities. The university is also working on establishing a new neuroscience program in collaboration with the Max Planck International Research Group, which is located on its Jupiter Campus, aiming to attracting top research candidates to the area.

-Miami University is planning to start Phase II of the University of Miami Life Science & Technology Park consisting of hotel/conference space which would satisfy the demand generated by conferences and academic events.

PROSPECTIVE VALUE (CONT'D)

A buyer of the Subject project "As Is" would factor the risk and time associated with completing the infrastructure and would add an entrepreneurial profit to the land costs. A reasonable entrepreneurial profit of 10% of the Determined Benefits allocated to Parcel A will be utilized (**\$14,006,977 x 10% = \$1,400,698 or \$1,400,000 rounded**).

As a result of our investigation and analysis of the information outlined in the report, we hereby submit that our opinion of the "Prospective" Market Value of the Fee Simple Interest of the Subject Property, upon completion of the planned improvements, to be completed by May 1, 2015, as of May 5, 2014, is as follows:

"AS IS" LAND VALUE:	\$43,200,000
DETERMINED BENEFIT:	\$14,006,977
PROFIT INCENTIVE:	<u>\$ 1,400,000</u>
	\$58,606,977

FIFTY EIGHT MILLION SIX HUNDRED THOUSAND DOLLARS

\$58,600,000 (ROUNDED)

LEASED FEE ANALYSIS

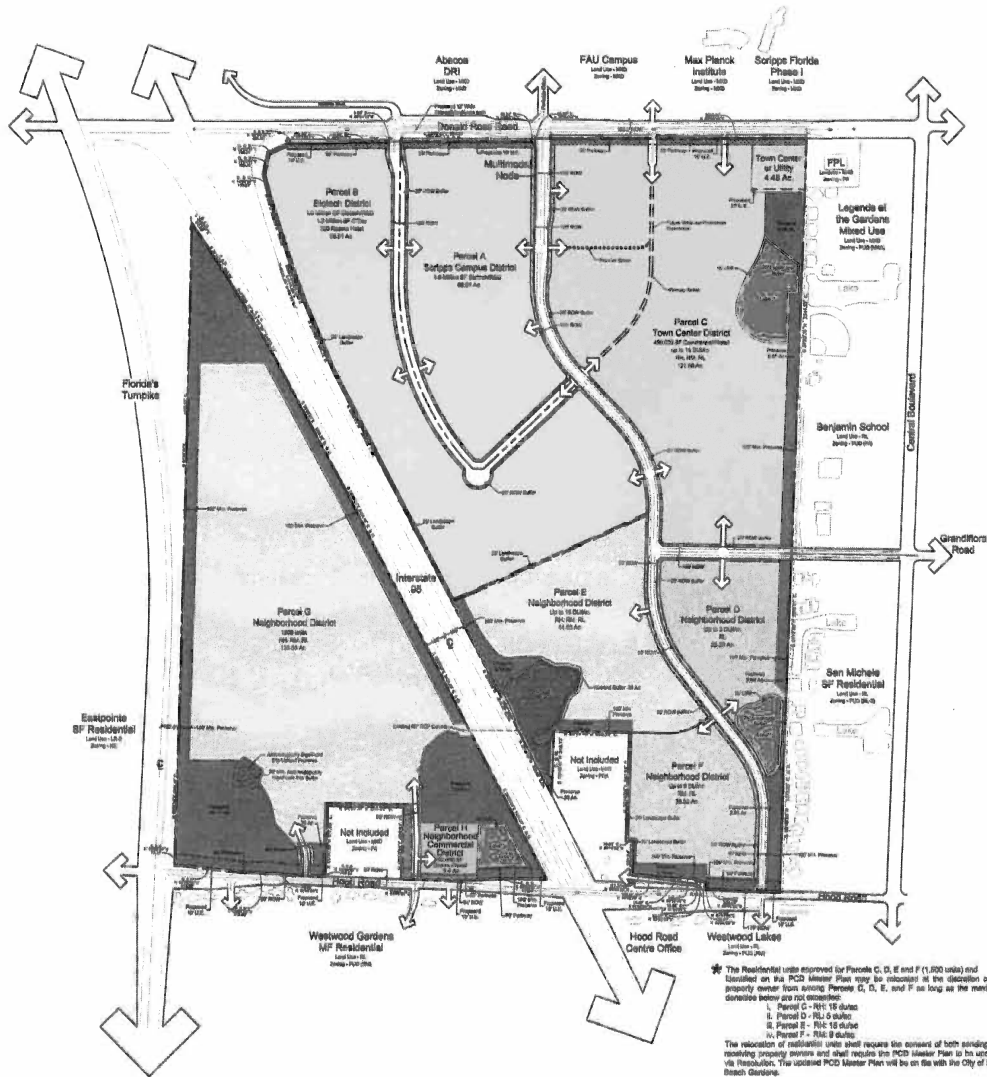
The Subject Property is approved for development of 1,600,000 square feet of biotech space and is encumbered by a land lease to Scripps until February 6, 2021. The terms of the lease, in general, call for a total rent payment of \$1.00 per year during the term of the lease. Scripps also has an option to purchase the property during the term of the lease for a total of \$1.00 but the option can only be exercised providing they meet the terms and conditions of Article 24 of Ground Lease. This section of the lease require Scripps to not be in material default of the lease and requires Scripps to have satisfied and maintained for two (2) consecutive years, the Job Creation Goal and delivered the Job Creation Goal Audit Report as required by the Grant Agreement. The Job Creation Goal as indicated in Article VI, Section C of the Grant Agreement requires Scripps to relocate to or create in Palm Beach County 6,500 Scripps New Jobs or Related Employer New Jobs. In the event the Briger Site is not conveyed to Scripps prior to February 6, 2021, the County shall convey the Briger Site to Scripps in accordance with the provisions of the Ground Lease, provided that Scripps is not in Material Default of this Agreement for \$1.00.

Based upon our analysis and interpretation of the Grant Agreement and the Land Lease included as an exhibit in the Grant Agreement and based upon conversations with Ben Williamson and Margaret Jackson with the Palm Beach County Property and Real Estate Management Division, the most likely scenario is that Scripps will not be in Material Default of the Grant Agreement or Ground Lease and the property will be conveyed to Scripps at the expiration of the lease term in February 2021. This was further supported by Shannon R. LaRocque, Assistant County Administrator who, among other projects, is the County manager of the Office of Economic Development for Scripps. She indicated that Scripps will be able to purchase the Subject 70 acre tract for \$1.00 by February 6, 2021 unless they discontinue operations in Palm Beach County.

We have assumed that Scripps will not discontinue their Palm Beach County operations and will be able to purchase the Subject Site for \$1.00 by February 6, 2021. Considering the time, effort, and costs involved such as legal costs to purchase the property and given the rent payments and reversion value, it is our opinion that the current value of the Subject Property as encumbered by the lease is nominal. The costs involved with purchasing the property would far exceed the value of the rent payments and reversion value. Therefore, the Leased Fee Value of the Subject Property is as follows:

**TEN DOLLARS
\$10 (NOMINAL VALUE)**

ADDENDA



Site Data

Current Zoning	PDR
Proposed Zoning	MDC/PCD Overlay
Current Land Use	MCO
Proposed Land Use	MCO
Total Site Area	181.09 Ac.
County	Dade
RM - up to 18 DU/M.C.	
RM - up to 8 DU/M.C.	
RM - up to 6 DU/M.C.	
Section/Township/Range	35.52N/14E

Development Program

West Parcel	306.36 Ac.
Resid.	60,000 sq.ft.
Apartments	350 units
Multifamily	500 units
Single Family	250 units
East Parcel	476.51 Ac.
Industrial/RD/BioTech	3,800,000 sq.ft.
Office	1,200,000 sq.ft.
Hotel	340 rooms
Resid.	490,000 sq.ft.
Apartments	350 units
Multifamily	500 units
Single Family	350 units

Site Area Breakdown

Parcel	800.36 Ac.
Parcel A - Scripps Campus District	60.91 Ac.
Parcel B - Beach District	68.21 Ac.
Parcel C - Town Center District	121.80 Ac.
Parcel D - Neighborhood District	16.26 Ac.
Parcel E - Neighborhood District	44.83 Ac.
Parcel F - Neighborhood District	26.26 Ac.
Parcel G - Neighborhood District	133.33 Ac.
Parcel H - Neighborhood Commercial District	5.00 Ac.
Town Center or Utility	4.48 Ac.
Upland Preserve Area	86.33 Ac.
Required	86.33 Ac.
Provided (includes 21 Ac. Archaeologically Significant Site)	83.39 Ac.
Cracks	63.39 Ac.
Cracks	12.34 Ac.
Total	85.62 Ac.
Wetland Area (including buffers)	2.38 Ac.
Lakes	15.00 Ac.
PCD Buffers	11.38 Ac.
ROW Buffers	13.40 Ac.
Utility Basements (Adjacent to Hood Road Preserves)	0.83 Ac.
Right of Way	30.48 Ac.
Yield	621.89 Ac.

Open Space Calculations

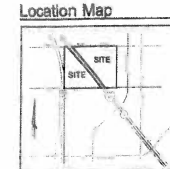
Total Site Area	811.68 Ac.
Required Open Space (20% Min. Required)	120.24 Ac.
Provided Open Space	109.51 Ac.* (13.38%)
Preserve Area	86.17 Ac.
Upland Preserve	60.67 Ac.
Wetland Area	7.50 Ac.
Wetland Buffers	0.88 Ac.
PCD Buffers	11.38 Ac.
ROW Buffers	12.40 Ac.
Lakes (including LAG)	15.00 Ac.
*Remaining 28.55 Ac. of Open Space to be provided within the parcels.	

Parcel	Area	% of Total Parcel Area	Open Space Available	Open Space Required per Parcel
A	60.91	11.33%	8.53	8.53
B	68.21	12.73%	9.49	9.49
C	121.80	23.07%	16.44	16.44
D	16.26	3.05%	1.22	1.22
E	44.83	8.48%	3.34	3.34
F	26.26	4.99%	1.97	1.97
G	133.33	25.54%	10.67	10.67
H	5.00	0.94%	0.38	0.38
TOTAL	315.30	100%	28.55	28.55

Total Open Space Required	120.24 Ac.
Total Open Space Provided (excluding Preserve)	102.21 Ac.
Total Open Space Provided (including Preserve)	138.31 Ac.

Notes

- Lakes shown are conceptual in configuration and are for drainage purposes.
- Additional lake locations, sizes, and configuration to be determined at the time of Final Site Plan approval for each parcel.
- Final design guidelines for residential regulations.
- Final Utilities Pressure Mitigation Plan for upland sites detail.
- Parcel acreages are not inclusive of Preserve, Wetland, PCD buffers, ROW Buffer or Lake acreages.



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MXD Land Allocation

Open Space Required	20%
Proposed	20%
Commercial	30%
Proposed	30%
Employment Center	9%
Proposed	9%
Residential High	20%
Proposed	20%
Residential Low	28%
Proposed	28%
Residential Medium	3%
Proposed	3%
Residential High	11%
Proposed	11%
Residential High	0%
Proposed	0%
Residential Medium	35%
Proposed	35%

MXD Lot Coverage

Commercial	30%
Proposed	30%
Employment Center	10%
Proposed	10%
Residential	70%
Proposed	70%
Residential High	10%
Proposed	10%
Residential Medium	60%
Proposed	60%

MXD Height

Commercial	4 Floors
Proposed	4 Floors
Employment Center	4 Floors
Proposed	4 Floors
Residential High	150 Feet
Proposed	150 Feet
Residential Medium	4 Floors
Proposed	4 Floors

Above elevations are based on the gross acreage of the project.

*Subject to pending Comprehensive Plan Amendment.

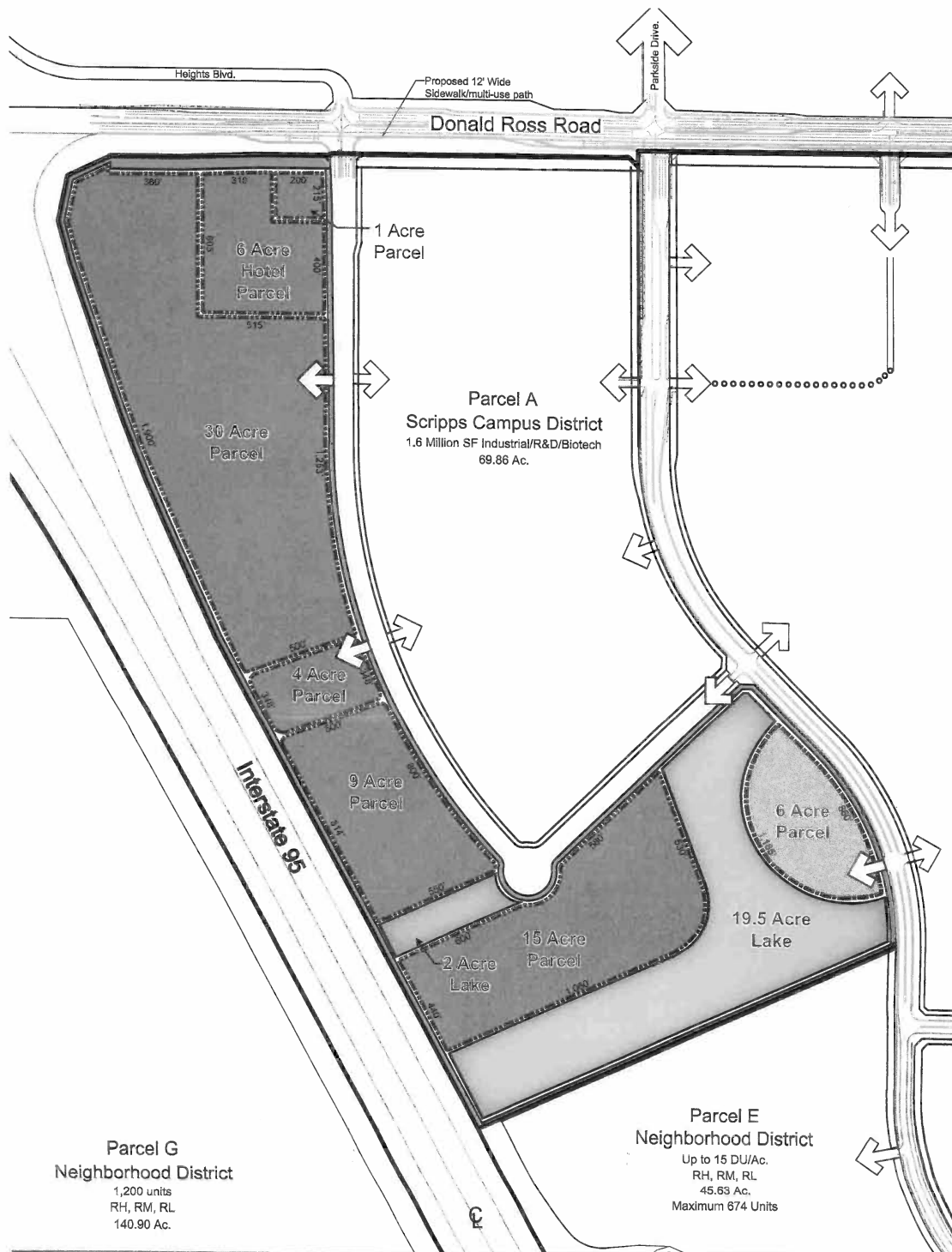
**See Development Order Conditions of Approval.



Scripps Florida Phase II
Brigr Tract DRI
Palm Beach Gardens, Florida
PCD Master Plan

Sheet 1
of 1

Scale: 1" = 400'-0"





CFN 20060660315
 OR BK 21129 PG 0218
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 Palm Beach County, Florida
 ANT 0,000,000.00
 Doc Stamp 56,000.00
 Sharon R. Bock, CLERK & COMPTROLLER
 Pgs 0218 - 228; (11pgs)

Prepared by:
 Charles A. Lubitz, Esq.
 BOOSE, CASEY, CIKLIN, ET AL
 515 North Flagler Drive Suite 1900
 West Palm Beach, FL 33401

Return to: *Doc # 89*
 SouthEast Guaranty and Title, Inc.
 1645 Palm Beach Lakes Boulevard
 Suite 160
 West Palm Beach, FL 33401

Parcel Identification Number:
 Cutout of 52-42-41-26-00-000-9010

[Space Above This Line For Recording Data]

Warranty Deed

This Indenture made this 15th day of November, 2006 and effective as of the 22nd day of November, 2006 between **PATRICIA B. LESTER and HOWARD LESTER**, as Co-Successor Trustees of the David Minkin Florida Realty Trust dated December 12, 1996, as to an undivided 1/3 interest whose post office address is 7 Via Los Incas, Palm Beach, FL 33480, grantor, and **PALM BEACH COUNTY**, a political subdivision of the State of Florida whose post office address is 3200 Belvedere Road, Bldg. 1169, West Palm Beach, FL 33406-1544, grantee:

(Whenever used herein the terms grantor and grantee include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantees heirs and assigns forever, the following described land, situate, lying and being in **Palm Beach County, Florida**, to-wit:

SEE EXHIBIT "A" (the "Property") ATTACHED HERETO FOR LEGAL DESCRIPTION OF THE PROPERTY

SUBJECT TO: Comprehensive land use plans, zoning, restrictions, prohibitions and other requirements imposed by governmental authority; restrictions and matters of public record or appearing on the plat or otherwise common to the subdivision, public utility easements of record, provided, however, the foregoing shall not serve to reimpose the same; taxes for the year of 2006 and subsequent years.

FURTHER SUBJECT TO: The Restrictions set forth on Exhibit "B" attached hereto.

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, including those oil and mineral reservations by virtue of the conveyance recorded in Deed Book 1146, Page 63, of the Public Records of Palm Beach County, Florida.

To Have and to Hold, the same in fee simple forever.

APPROVED BY THE PALM BEACH COUNTY
 BOARD OF COUNTY COMMISSIONERS
 ON 2/28/06 R 2006-0423

 County Attorney or Designee

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever.

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Witnesses as to both Patricia B. Lester & Howard Lester,
Co-Successor Trustees:

Charles Lubitz
Witness Print Name: Charles Lubitz

Ann Z. Anders
Witness Print Name: Ann Z. Anders

Patricia B. Lester
PATRICIA B. LESTER, Co-Successor Trustee

Howard Lester
HOWARD LESTER, Co-Successor Trustee

State of Florida
County of Palm Beach

The foregoing instrument was acknowledged before me this 15th day of November, 2006 by PATRICIA B. LESTER and HOWARD LESTER, as Co-Successor Trustees of the David Minkin Florida Realty Trust dated December 12, 1996, who are personally known or have produced a driver's license as identification.

[Notary Seal]

Ann Z. Anders
Notary Public

Printed Name: Ann Z. Anders

My Commission Expires: DD 559553



PARCEL I

THAT PORTION OF SECTION 26 TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 26; THENCE SOUTH $89^{\circ}55'48''$ WEST ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 2371.01 FEET; THENCE SOUTH $00^{\circ}04'12''$ EAST, A DISTANCE OF 1280.00 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1210.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $10^{\circ}02'48''$, AN ARC DISTANCE OF 212.17 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1210.00 FEET, THROUGH A CENTRAL ANGLE OF $33^{\circ}57'12''$, AN ARC DISTANCE OF 717.04 FEET TO A POINT OF TANGENCY; THENCE SOUTH $44^{\circ}04'12''$ EAST, A DISTANCE OF 19.33 FEET; THENCE SOUTH $00^{\circ}55'48''$ WEST, A DISTANCE OF 56.57 FEET; THENCE SOUTH $45^{\circ}55'48''$ WEST, A DISTANCE OF 1046.96 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 50.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $53^{\circ}07'48''$, AN ARC DISTANCE OF 46.36 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 100.00 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $16^{\circ}13'00''$, AN ARC DISTANCE OF 28.30 FEET TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 50.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $53^{\circ}35'38''$, AN ARC DISTANCE OF 46.77 FEET TO A POINT OF COMPOUND CURVATURE WITH A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 2376.96 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $33^{\circ}26'46''$, AN ARC DISTANCE OF 1387.54 FEET TO THE INTERSECTION WITH A RADIAL LINE; THENCE NORTH $79^{\circ}53'00''$ EAST, ALONG SAID RADIAL LINE, A DISTANCE OF 1166.96 FEET TO THE POINT OF BEGINNING.

CONTAINING 30.00 ACRES, MORE OR LESS

PARCEL II

THAT PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 26; THENCE SOUTH $89^{\circ}55'48''$ WEST ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 2371.01 FEET; THENCE SOUTH $00^{\circ}04'12''$ EAST, A DISTANCE OF 140.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE SOUTH $00^{\circ}04'12''$ EAST, A DISTANCE OF 1140.00 FEET TO A POINT OF CURVATURE OF A CURVE, CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 1210.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $10^{\circ}02'48''$, AN ARC DISTANCE OF 212.17 FEET TO THE INTERSECTION WITH A RADIAL LINE; THENCE SOUTH $79^{\circ}53'00''$ WEST, ALONG A LINE RADIAL TO THE FOLLOWING CURVE, A DISTANCE OF 1166.96 FEET TO A POINT ON SAID CURVE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 2376.96 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $10^{\circ}02'48''$, AN ARC DISTANCE OF 416.79 FEET TO A POINT OF TANGENCY; THENCE NORTH $00^{\circ}04'12''$ WEST, A DISTANCE OF 1140.00 FEET; THENCE NORTH $44^{\circ}55'47''$ EAST, A DISTANCE OF 56.57 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF DONALD ROSS ROAD AS DESCRIBED IN OFFICIAL RECORDS BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE NORTH $89^{\circ}55'47''$ EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE AND EASTERLY PROLONGATION, A DISTANCE OF 1086.96 FEET; THENCE SOUTH $45^{\circ}04'12''$ EAST, A DISTANCE OF 56.57 FEET TO THE POINT OF BEGINNING.

CONTAINING 40.00 ACRES, MORE OR LESS

Date: 11/15/2006 10:03 AM
 Plotted by: Richard Smith
 Layout Name: ADD ROW SH1
 Drawing Name: P:\06-4461\Survey\064461BDY01.dwg
 User: rsmith

DESCRIPTION:


THAT PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 26; THENCE SOUTH 89°55'48" WEST ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 2371.01 FEET; THENCE SOUTH 00°04'12" EAST, A DISTANCE OF 75.00 FEET TO THE POINT OF BEGINNING;

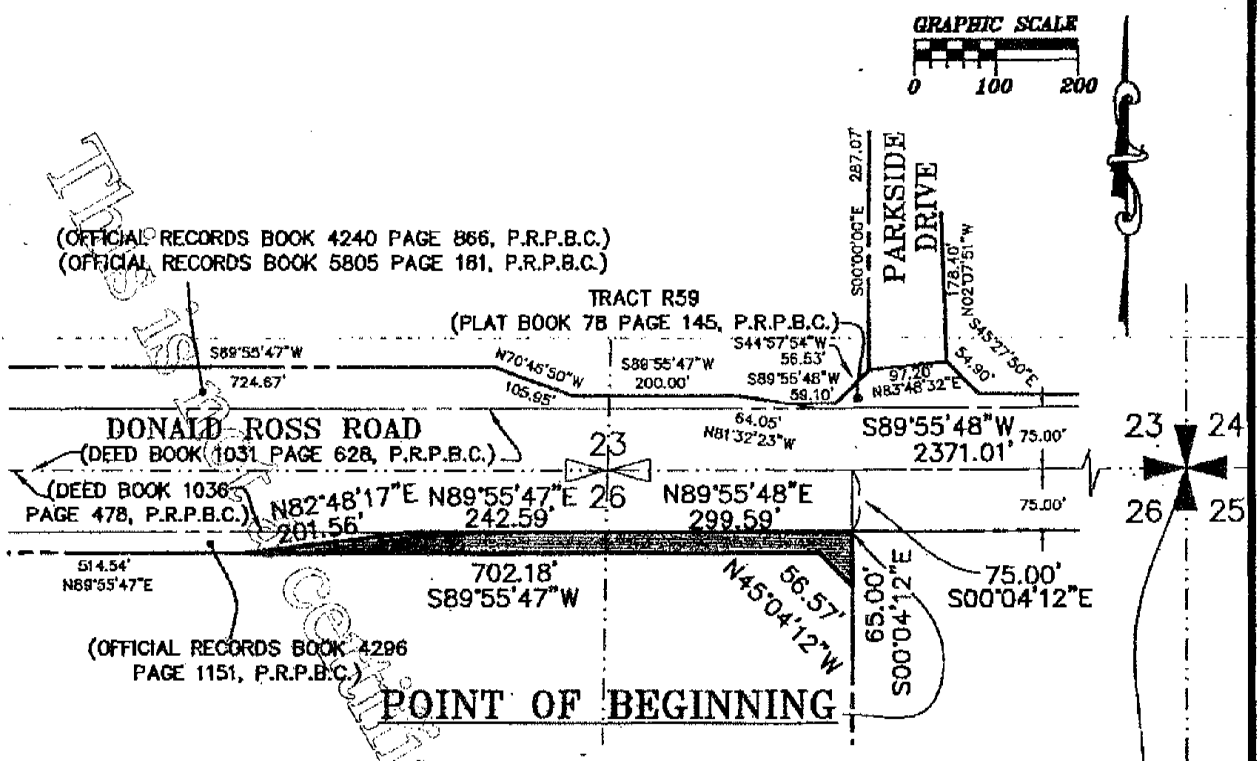
THENCE CONTINUE SOUTH 00°04'12" EAST, A DISTANCE OF 65.00 FEET; THENCE NORTH 45°04'12" WEST, A DISTANCE OF 56.57 FEET; THENCE SOUTH 89°55'47" WEST, A DISTANCE OF 702.18 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF DONALD ROSS ROAD AS DESCRIBED IN OFFICIAL RECORDS BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE NORTH 82°48'17" EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 201.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF DONALD ROSS ROAD AS DESCRIBED IN DEED BOOK 1036, PAGE 478 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE NORTH 89°55'47" EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 242.59 FEET; THENCE NORTH 89°55'48" EAST ALONG THE AFOREMENTIONED SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 299.59 FEET TO THE POINT OF BEGINNING.

CONTAINING 16854 SQUARE FEET OR 0.39 ACRES, MORE OR LESS.

THIS IS NOT A SURVEY

SURVEYOR AND MAPPER'S SIGNATURE 1. UNLESS IT BEARS THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER, THIS MAP/REPORT IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID. 2. NO SEARCH OF THE PUBLIC RECORDS HAS BEEN MADE BY THIS OFFICE.		PROJECT NAME: SCRIPPS RESEARCH INSTITUTE SKETCH AND DESCRIPTION FOR ADDITIONAL RIGHT-OF-WAY FOR DONALD ROSS ROAD		
RICHARD P. SMITH, PROFESSIONAL SURVEYOR & MAPPER STATE OF FLORIDA NO. 8238		REVISIONS: 8/22/06 ADDITIONAL		
 CONSULTING CIVIL ENGINEERS, SURVEYORS & MAPPERS <i>"Partners For Results, Value By Design"</i>		DEED REFERENCES ADDED		
Scale: 1" = 200' Sheet 1 OF 2 Computed: PHB Checked: RS		Field Book: N/A Date: 7/13/06	Page: N/A FILE NO.: 064461BDY01	Field: N/A Project No.: 06-4461
3550 S.W. Corporate Parkway, Palm City, Florida 34990 (772) 286-3683 Fax: (772) 286-3925 BPR & FBPE License No: 959 www.lbfp.com				

Date: 11/15/2008 - 10:04 AM - LBFH, Inc.
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 User: rsmith
 Title: 06-4461\Survey\064461BDY01.dwg



LEGEND
 SECTION CORNER
 QUARTER CORNER
 P.R.P.B.C.= PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA

POINT OF COMMENCEMENT
 NORTHEAST CORNER OF SECTION 26
 TOWNSHIP 41 SOUTH, RANGE 42 EAST

BEARING BASE:
 BEARINGS SHOWN HEREON ARE BASED UPON THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, HAVING A GRID BEARING OF SOUTH 89°55'48" WEST AS MONUMENTED BY A PALM BEACH COUNTY BRASS DISC AND A PALM BEACH COUNTY NAIL WITH A SQUARE METAL TAB.

THIS IS NOT A SURVEY

		PROJECT NAME: SCRIPPS RESEARCH INSTITUTE SKETCH AND DESCRIPTION FOR ADDITIONAL RIGHT-OF-WAY FOR DONALD ROSS ROAD		
		REVISIONS: 8/22/06 ADDITIONAL		
LBFH CONSULTING CIVIL ENGINEERS, SURVEYORS & MAPPERS <i>"Partners For Results, Value By Design"</i> 3550 S.W. Corporate Parkway, Palm City, Florida 34990 (772) 286-3883 Fax: (772) 286-3925 BPR & FBPE License No: 959 www.lbfh.com	Scale: 1"=200'	DEED REFERENCES ADDED		
	Sheet 2 OF 2	Field Book: N/A	Page: N/A	Field: N/A
	Computed: PHB	Date: 7/13/06	FILE NO. 064461BDY01	Project No. 06-4461
	Checked: RS			

EXHIBIT "B"

RESTRICTIONS

The Property shall be used and maintained by The Scripps Research Institute ("Scripps") for biomedical and other scientific research, training and education, together with ancillary uses such as offices, classrooms, lecture halls, conference rooms, cafeterias, libraries and recreation and fitness facilities (the "Intended Improvements"), and for no other purpose whatsoever (the "Restriction"). Notwithstanding the foregoing, Scripps shall be entitled to enter into collaborative ventures with other persons or entities for the purpose of performing biomedical and scientific research, training and education and use of the Intended Improvements by such persons or entities for such purposes and the permitted ancillary uses shall not violate the Restriction. The Restriction shall expire simultaneously with the restriction on grantor's 100 acres as described in the Declaration of Covenants recorded in Official Records Book 1129, Page 0244 of the Public Records of Palm Beach County, Florida (the "Declaration"). After expiration of the Restriction, Parcel I of the Property shall be further restricted to use solely for Biotech Uses (as defined in the Declaration) until February 6, 2031, at which time the use of Parcel I of the Property shall no longer be subject to restriction. In the event that Scripps vacates, abandons or closes Scripps Florida's operations in Palm Beach County, or relocates Scripps Florida's Primary Operations (as defined in the Grant Agreement between Scripps and Palm Beach County R2006-0803) outside Palm Beach County prior to February 6, 2021 (the "Condition"), then upon written notice of either grantor or grantee (the "Notice"), the following shall apply: If none of the Intended Improvements have been completed on the Property, (i) the grantee shall reconvey Parcel I to grantor for no consideration, (ii) the restriction imposed on grantor's 100 acres by the Declaration shall be released by the grantee, and (iii) grantor shall have the option, to be exercised in writing within ninety (90) days following the transmittal or receipt of the Notice, as the case may be, to either (x) remove the Restriction, or (y) repurchase Parcel II for \$16,000,000 if the Condition shall have occurred within two (2) years following the conveyance to the grantee, or, if the Condition shall have occurred after said two (2) year period, receive a right of first refusal with respect to any proposed sale of Parcel II. In the event grantor fails to provide such written notice within said ninety (90) day period (provided that if the grantee gave the Notice it advised grantor therein that it must exercise the option within said ninety (90) days) then option "x" shall be deemed to apply. Alternatively, if Scripps shall have theretofore completed any of the Intended Improvements on Parcel I or II of the Property, the provisions of items (i), (ii) and (iii) shall continue to apply except that grantor shall no longer have the right to elect to repurchase Parcel II or be entitled to a right of first refusal. However, with respect to Parcel I, whether or not any Intended Improvements have been made, grantee shall be required to reconvey Parcel I to the grantor if grantor shall so require in a written notice to grantee, together with any Intended Improvements

thereon for no consideration. Except as otherwise specifically set forth herein, any reconveyance of the Property or a portion thereof to the grantor shall be subject only to the title exceptions which the Property is subject to upon the date of this Deed and all other title matters and encumbrances hereinafter arising or imposed against the Property provided such other matters and encumbrances do not materially reduce the value of the Property, materially reduce the development potential of the Property, or constitute a lien against the Property. In addition to the foregoing, any reconveyance of Parcel I to grantor after construction of any Intended Improvements thereon, shall be subject to any mortgage(s) relating to such construction.

This is not a certified copy

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RESOLUTION NO. 2008-12
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
RESOLUTION TO RECONSIDER AND DESIGNATE
UNIT OF DEVELOPMENT NO. 2C

WHEREAS, on August 27, 2008 the Board of Supervisors designated certain real property as its Unit of Development No. 2C pursuant to the provisions of Chapter 2000-467, Laws of Florida, as amended (the "Act"); and

WHEREAS, the Board of Supervisors has been advised that certain parcels of real property were inadvertently omitted from the request previously submitted to it for designation of the geographical boundaries of Unit of Development No. 2C, and

WHEREAS, the Board of Supervisors has received a revised request to designate all of that real property described in attached Exhibit "A" (the "Real Property") as its Unit of Development No. 2C; and

WHEREAS, the Real Property lies within the jurisdictional boundaries of Northern Palm Beach County Improvement District; and

WHEREAS, the Board of Supervisors finds that the Real Property is suitable for designation as its Unit of Development No. 2C.

NOW, THEREFORE, BE IT UNANIMOUSLY RESOLVED by the Board of Supervisors of the Northern Palm Beach County Improvement District as follows:

1. That the Resolution adopted on August 27, 2008 designating Unit of Development No. 2C is hereby reconsidered and repealed.
2. The Real Property described in attached Exhibit "A" is hereby designated as Northern Palm Beach County Improvement District, Unit of Development No. 2C for the purpose of Northern's exercise of some or all of those powers granted to it under and pursuant to the Act and applicable provisions of Chapter 298, Florida Statutes, for the benefit of the Real Property comprising this Unit of Development.
3. That the location, area and geographical boundary of Unit of Development No. 2C shall be as described in attached Exhibit "A".
4. That pursuant to Section 23 of the Act, staff is directed to publish a notice in the Palm Beach Post briefly describing the lands embraced in Unit of Development No. 2C and requiring all owners of land in Northern to show cause in writing, at the time and place set forth in said notice, why the formation of Unit of Development No. 2C should not be approved and the proceedings and powers authorized by the Act not be had, taken or exercised.
5. That all resolutions or parts of resolutions in conflict herewith are hereby repealed.

6. This Resolution shall take effect immediately upon its adoption.

THIS RESOLUTION WAS PASSED AND ADOPTED THIS 24th DAY OF SEPTEMBER, 2008.

ATTEST:

NORTHERN PALM BEACH COUNTY
IMPROVEMENT DISTRICT

By: *O'Neal Bardin, Jr.*
O'Neal Bardin, Jr., Secretary

By: *Marilyn Lew-Jacobs*
Marilyn Lew-Jacobs, President

EXHIBIT "A"

BOUNDARY – UNIT 2C
NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

PARCEL 1

All of Section 26; less the West 3/4 of the South 1/8 of the Southwest 1/4 and the South 3/4 of the East 1/2 of the Southeast 1/4 of the Southwest 1/4. all in Township 41 South, Range 42 East, Palm Beach County, Florida; also LESS and EXCEPT the property described in Deed Book 1036, Page 478, covering the North 75 feet of Section 26, Township 41 South, Range 42 East, and also LESS and EXCEPT that parcel of real property vested in the State of Florida Department of Transportation pursuant to Order of Taking recorded in Official Records Book 4296, Page 1151 of the Public Records of Palm Beach County, Florida.

PARCEL 2

The South 1/2 of the Southwest 1/4 of the Southeast 1/4 of the Southwest 1/4, and the South 1/4 of the Southwest 1/4 of the Southwest 1/4, of Section 26, Township 41 South, Range 42 East, less that parcel of real property vested in the State of Florida Department of Transportation pursuant to Order of Taking recorded in Official Records Book 4296, Page 1151, Public Records of Palm Beach County, Florida.

PARCEL 3

The South 3/4 of the East 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 26, Township 41 South, Range 42 East, less that parcel of real property vested in the State of Florida Department of Transportation pursuant to Order of Taking recorded in Official Records Book 4296, Page 1151, Public Records of Palm Beach County, Florida.

PARCEL 4

The East 40 feet of the Northwest 1/4 of the Northeast 1/4; the East 1/2 of the Northeast 1/4 of the Northwest 1/4; the West 1/2 of the Northwest 1/4 of the Northeast 1/4, less the East 40 feet thereof; and the Northeast 1/4 of the Northeast 1/4, of Section 35, Township 41 South, Range 42 East; less that parcel of real property vested in the State of Florida Department of Transportation pursuant to Order of Taking recorded in Official Records Book 4296, Page 1151 and also less the right-of-way of Hood Road as described in Deed Book 1146, Page 639, Public Records of Palm Beach County, Florida.

PARCEL 5

The Northwest 1/4 of the Northwest 1/4 of Section 35, Township 41 South, Range 42 East, less the right-of-way for Hood Road as described in Deed Book 1142, Page 334 and also less the right-of-way for the Florida Turnpike. Together with the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4 of Section 35, Township 41 South, Range 42 East, Palm Beach County, Florida.

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	\$0	\$0	\$0	\$0	\$0
Operating Costs	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income (County)	0	0	0	0	0
In-Kind Match (County)	0	0	0	0	0
NET FISCAL IMPACT	\$0	\$0	\$0	\$0	\$0
# Additional FTE Positions (Cumulative)	0	0	0	0	0

Is Item Included in Current Budget: Yes _____ No _____

Budget Account No: _____

Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Departmental Fiscal Review: _____

III. REVIEW COMMENTS

OFMB Fiscal and/or

OFMB

Legal Sufficiency:

Assistant County Attorney

Other Department Review:

Department Director

Contract Development & Control
Comments:

Contract Dev. & Control

This summary is not to be used as a basis for payment.

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ORDINANCE 33, 2009

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM BEACH GARDENS, FLORIDA AMENDING CHAPTER 78, LAND DEVELOPMENT. AT SECTION 78-157. MIXED USE PLANNED UNIT DEVELOPMENT DISTRICT. BY AMENDING THE TITLE OF SECTION 78-157. SUCH THAT IT SHALL NOW BE ENTITLED "MXD – MIXED USE DEVELOPMENT DISTRICT", FOR INTERNAL CONSISTENCY AND ADOPTING NEW SECTION 78-232 ENTITLED "SCRIPPS FLORIDA PHASE II – DESIGN GUIDELINES", IN ORDER TO ESTABLISH ZONING REGULATIONS AND DESIGN GUIDELINES FOR THE SCRIPPS FLORIDA PHASE II/BRIGER TRACT PCD, TO PROVIDE REGULATIONS FOR APPROVAL AND AMENDMENT OF FUTURE PROJECTS WITHIN THE OVERLAY ZONE, AND TO ESTABLISH CRITERIA FOR BIOSCIENCE MIXED USE PLANNED DEVELOPMENTS; PROVIDING THAT EACH AND EVERY OTHER SECTION AND SUBSECTION OF CHAPTER 78, LAND DEVELOPMENT. SHALL REMAIN IN FULL FORCE AND EFFECT AS PREVIOUSLY ADOPTED; PROVIDING A CONFLICTS CLAUSE, A SEVERABILITY CLAUSE, AND AUTHORITY TO CODIFY; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the City has received a petition from Lester Family Investments, L.P., et al. and Palm Beach County for a text amendment to the City of Palm Beach Gardens Land Development Regulations to modify Section 78-157 of the City Code of Ordinances, and to adopt an entirely new Section 78-232 related to the Scripps Florida Phase II/Briger DRI and PCD; and

WHEREAS, the purpose of amending Section 78-157 is to provide criteria for bioscience mixed use planned developments (PCDs or PUDs) consistent with the City's Comprehensive Plan; and

WHEREAS, the purpose for creating Section 78-232 is to establish the following: (1) create a Scripps Florida Phase II Overlay Zoning District; (2) adopt the Design Guidelines for the Scripps Florida Phase II Planned Community Development (PCD); and (3) establish a process for future amendments to the Design Guidelines; and

WHEREAS, this Land Development Regulations amendment was reviewed by the Planning, Zoning, and Appeals Board, sitting as the Local Planning Agency, at a duly noticed public hearing on October 13, 2009, and the Board recommended approval by a vote of 6-1; and

1 **WHEREAS**, the City Council has determined that adoption of this Ordinance is in
2 the best interests of the health, safety, and welfare of the residents and citizens of the
3 City of Palm Beach Gardens and the public at large.

4
5 **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY**
6 **OF PALM BEACH GARDENS, FLORIDA** that:

7
8 **SECTION 1.** Chapter 78. Land Development. of the Code of Ordinances of the
9 City of Palm Beach Gardens, Florida is hereby amended at Section 78-157. Mixed use
10 planned unit development overlay district., such that it shall now be entitled "MXD –
11 Mixed use development district", by amending subsections (a), (e), (f), and (g) , by
12 repealing subsection (h), and adopting an entirely new subsection (h) and re-lettering
13 former subsections (h) – (k) as new subsections (i) – (l), and amending new subsections
14 (i), (k), and (l); providing that Section 78-157 shall hereafter read as follows:
15

16 **Sec. 78 - 157. MXD – Mixed use planned unit development overlay district.**

17
18 (a) *Purpose and Intent.* The purpose and intent of the mixed use ~~planned unit~~
19 district (MXD) are to encourage infill and redevelopment opportunities through the
20 vertical and horizontal integration of complementary residential and nonresidential uses
21 to achieve the following:

22
23 (1)-(12) (These subsections shall remain in full force and effect as
24 previously adopted.)

25
26 (b)-(d) (These subsections shall remain in full force and effect as previously adopted.)

27
28 (e) *MXD general development standards.* Unless waived by the city council
29 pursuant to this section, or unless the city council has adopted design guidelines in
30 accordance with section 78-155(c), the following standards shall apply to all MXDs
31 PCD/PUDs.

32
33 (1) Development. All MXDs development in the MXD district shall be
34 developed as a PUD or PCD.

35
36 (2) Pedestrian orientation. The individual uses, buildings, and development
37 pods within MXD developments shall provide the following:

- 38
39 a. interconnecting pedestrian ways, plazas, trails, etc.;
- 40
41 b. pedestrian connections to the city's Parkway System;
- 42
43 c. internalized pedestrian connections between residential and
44 nonresidential land uses; and
- 45
46 d. multi-modal transportation accesses.

1 (3) Frontage. At least one portion of the perimeter of any MXD shall be
2 located on an arterial road as defined by the city's comprehensive plan.

3
4 (4) Permitted and conditional uses. Permitted and conditional uses within an
5 MXD development are allowed as set forth in section 78-159, Table 21, in
6 accordance with the land-use categories chosen for the PCD/PUD overlay or as
7 may be provided in the development order approved by the city council.

8
9 (5) Parking. Parking and loading shall be provided as required in division 89
10 of article V.

11
12 (6) Landscaping. Landscaping shall be provided as required in division 78 of
13 article V.

14
15 (7) Environmentally sensitive lands. Environmentally sensitive lands shall be
16 protected as provided in division 45 of article V.

17
18 (f) *Residential MXD PCD/PUD intensity measures and special definitions.*
19 Residential MXDs PCD/PUDs shall comply with the intensity measures indicated in
20 Table 18, unless one or more intensity measures are waived by the city council.

21
22 Table 18: Residential MXD PCD/PUD Intensity Measures and Special
23 Definitions.

24
25 (This table shall remain in full force and effect as previously adopted.)

26
27 (g) *Nonresidential MXD PCD/PUD intensity measures.* Nonresidential MXDs
28 PCD/PUDs shall, unless waived by the city council, be consistent with section 78-158,
29 and comply with the intensity measure indicated in Table 19.

30
31 (1) Nonresidential criteria. The mandatory residential requirement for MXDs
32 developments may be waived by the city council if the development order application
33 complies with any two of the criteria listed below.

34
35 a.-d. (These subsections shall remain in full force and effect as previously
36 adopted.)

37
38 Table 19: Nonresidential MXD PCD/PUD Intensity Measures.

39
40 (This table shall remain in full force and effect as previously adopted.)

41
42 (h) BioScience MXD PCD/PUD intensity measures. Unless waived by city council,
43 BioScience MXD PCD/PUDs shall conform to the requirements of section 78-158 and
44 the intensity measures set forth in Table 19a.

(1) A BioScience mixed use development shall include, at a minimum, open space and BioScience uses. Uses within a BioScience MXD PCD/PUD shall be located to encourage clustering for the purposes of scientific and economically productive exchange among researchers, scientists, administrators, students, and others involved in the BioScience industries. At least a portion of the BioScience MXD PCD/PUD shall be located within the city's designated BioScience Research Protection Overlay. A BioScience MXD PCD/PUD shall be designed to: create an urban, pedestrian-oriented environment; provide for a mix of uses such as commercial, transportation, office, laboratory research, educational, and residential uses for the daily needs of the residences and workforce; and encourage walking, biking, and other modes of non-vehicular transportation to reduce the need for local vehicular traffic.

Table 19a: BioScience MXD PCD/PUD Intensity Measures

<u>Land Use</u>	<u>Land Allocation</u>	<u>Lot Coverage</u>	<u>Building Height</u>	<u>Special Definitions</u>
<u>Open Space</u>	<u>Min: 20%</u>	<u>Not Applicable</u>	<u>Not Applicable</u>	
<u>Commercial</u>	<u>Min: 2%</u> <u>Max: 30%</u>	<u>Max: 50%</u>	<u>Max: 4 Floors</u>	
<u>Residential High Density</u>	<u>Min: 5%</u> <u>Max: 35%</u>	<u>Max: 50%</u>	<u>Max: 4 Floors</u>	
<u>Residential Low Density</u>	<u>Min: 2%</u> <u>Max: 35%</u>	<u>Max: 50%</u>	<u>Max: 3 Floors</u>	—
<u>Employment Center</u>	<u>Min: 20%</u> <u>Max: 60%</u>	<u>Max: 70%</u>	<u>Max: 4 Floors</u>	<u>(4)</u>

Notes:

(1) Minimum and Maximum land allocations are based on the gross acreage for the project. The open space requirement is the minimum total amount of open space to be provided within the PCD/PUD, including all individual site plans within the PCD/PUD.

(2) Lot coverage shall be calculated by individual parcel.

(3) The height limit for Employment Center Buildings (as defined below) located within the BioScience MXD PCD/PUD shall be a maximum of 150 feet* if the Employment Center Buildings meet all of the following criteria:

- 1 a. Located within the designated BioScience Research
2 Protection Overlay ("BRPO");
- 3
- 4 b. Include a minimum of 100 contiguous acres within the
5 designated BRPO;
- 6
- 7 c. Located within a Development of Regional Impact; and
- 8
- 9 d. Located in a project east and immediately adjacent to
10 Interstate 95.

11
12 *This height limit is not subject to waiver by the city council.

13
14 (4) Special Definitions:

15
16 Employment center buildings shall be defined as those buildings used for
17 bioscience technology research and development, laboratories, and those
18 ancillary uses to bioscience including corporate offices, medical offices,
19 research and educational facilities, light industry, hospitals, and
20 conference hotels.

21
22 Employment center shall be defined as the land use component category
23 within the BioScience MXD PCD/PUD that is regulated by the minimum
24 and maximum gross land area allocations, lot coverage, and height
25 regulations set forth above. Employment centers shall be designated on
26 the MXD PUD or PCD master plan. Employment center buildings as
27 defined above and any support buildings and uses specified in the zoning
28 code shall be the only permitted buildings within an employment center.

29
30 (5) The overall height limit and lot coverage requirements for buildings
31 that have a vertical integration of residential and non-residential uses
32 shall be determined by the maximum allowable height and lot coverage
33 permitted within any one of the categories used as listed in Table 19a.

34
35 ~~(h)~~(i) Community design. As part of the overall development order application, a
36 request for approval of an MXD development shall include a specific community design
37 element. The community design element shall be both written and graphic, and, at a
38 minimum, shall contain the information listed below, unless the city council has adopted
39 specific design guidelines for a particular MXD PCD/PUD in accordance with Section
40 78-155(c).

41
42 (1)-(8) (These subsections shall remain in full force and effect as previously adopted.)

1 ~~(j)~~(i) *PGA Boulevard corridor overlay.* For the purposes of this section, all
2 development located within the PGA Boulevard corridor overlay shall comply with
3 division 2 of article V.
4

5 ~~(j)~~(k) *Minimum development standards.* MXD developments shall comply with the
6 minimum standards listed below:
7

8 (1) *Size.* MXD developments shall be a minimum of five acres.
9

10 (2) *Setbacks.* Minimum front, side, rear, and side corner setbacks shall be
11 established by the city council
12

13 (3) *Minimum building site area.* None, provided the site is consistent with the
14 requirements of the overall PUD master site plan for open space, landscaping,
15 architecture and design, pedestrian amenities and connections, landscaping,
16 open space, maximum site area, minimum floor area, and similar requirements.
17

18 ~~(k)~~(l) *Waivers.* A development order application for an MXD PCD/PUD may request
19 one or more waivers from the standards applicable to of the MXD the underlying zoning
20 district or other sections of the city's land development regulations, subject to the
21 provisions of section 78-158.
22

23 **SECTION 2.** Chapter 78. Land Development. of the Code of Ordinances of the
24 City of Palm Beach Gardens, Florida is hereby amended by adopting an entirely new
25 Section 78-232 to be entitled "Scripps Florida Phase II – Design Guidelines"; providing
26 that new Section 78-232 shall hereafter read as follows:
27

28 **Sec. 78-232. Scripps Florida Phase II – Design Guidelines.**
29

30 (a) *Purpose and intent.* The purpose and intent of the Scripps Florida Phase II
31 Overlay Design Guidelines (SFDG) are to incorporate design guidelines for the Scripps
32 Florida Phase II/Briger PCD into the city's land development regulations. The subject
33 guidelines shall be approved by the city council and shall establish development
34 standards within the Scripps Florida Phase II/Briger PCD. The intent of the guidelines is
35 to encourage the development of a pedestrian-oriented mixed-use community centered
36 on bioscience, research and development, and other related uses.
37

38 (b) *Applicability.* The design guidelines shall apply to all districts within the PCD. In
39 the event of a conflict between the SFDG and any other city land development
40 regulations, the SFDG shall prevail. However, in those cases where the SFDG are
41 silent, the underlying land development regulations shall prevail.
42

43 (c) *Use regulations.* Permitted uses shall be as set forth in the 'list of permitted
44 uses' attached to and incorporated in the Scripps Florida Phase II/Briger PCD
45 development order. No amendment to the list of permitted uses shall occur without
46 approval by the city council.

1 (d) Height regulations. Height restrictions shall be in accordance with Table 19a in
2 section 78-157 of the City's LDRs. However, for all buildings and/or structures within
3 the employment center district when measuring building height, roof mounted
4 equipment shall not be included in such measurement. All buildings and/or structures
5 within the employment center district within the Scripps Florida Phase II/Briger PCD
6 shall adhere to the following additional restrictions:

7
8 (1) All buildings and/or structures located more than 55 feet but less than 100
9 feet from the northern boundary of the employment center district shall be limited
10 to a maximum height of 75 feet.

11
12 (2) All buildings and/or structures located more than 100 feet but less than
13 150 feet from the northern boundary of the employment center district shall be
14 limited to a maximum height of 100 feet.

15
16 (3) All buildings and/or structures located 150 feet, or more, south of the
17 northern boundary of the employment center district shall be limited to a
18 maximum height of 150 feet.

19
20 (4) No buildings and/or structures shall be located within the 55 feet of the
21 employment center district's southern boundary.

22
23 (5) All buildings and/or structures located more than 55 feet but less than 100
24 feet from the southern boundary of the employment center district shall be limited
25 to a maximum height of 75 feet.

26
27 (6) All buildings and/or structures located more than 100 feet but less than
28 150 feet from the southern boundary of the employment center district shall be
29 limited to a maximum height of 100 feet.

30
31 (7) All buildings and/or structures located 150 feet, or more, north of the
32 southern boundary of the employment center district shall be limited to a
33 maximum height of 150 feet.

34
35 (8) In order to be eligible for the 150 foot maximum building height a building
36 and/or structure must satisfy the location requirements of both subsection 78-
37 232(d)(3) and subsection 78-232(d)(7).

38
39 (e) Amendments to design guidelines. Amendments to the design guidelines are
40 permitted. For the purpose of this section, two types of amendments shall be allowed:

41
42 (1) Major amendments; and

43
44 (2) Minor amendments.
45
46

1 (f) Major amendments. Major amendments shall be approved by the city council by
2 resolution. Major amendments to the design guidelines shall include the following:

3
4 (1) Character and appearance. Any amendment which would negatively
5 impact the character or the appearance of those standards within the design
6 guidelines.

7
8 (2) Amenities. Any reduction that would materially decrease the net number
9 or size of amenities, including, but not limited to, parks, open space areas, and
10 pedestrian linkages contained within the design guidelines.

11
12 (3) Architectural style. Any change in the architectural styles listed that result
13 in a reduction of standards contained within the design guidelines.

14
15 (4) Other changes. Any change to the standards when considered
16 cumulatively with prior minor amendments which, as determined by the growth
17 management administrator, deviates materially from the approval granted by the
18 planning, zoning, and appeals board or city council.

19
20 (g) Minor amendments. Minor amendments are changes to the approved design
21 guidelines that are not considered major amendments as previously defined. Minor
22 amendments may be approved by the growth management administrator in consultation
23 with other city staff and the development review committee.

24
25 (h) Targeted Expedited Permitting Program (TEPP).

26
27 (1) All development applications that are submitted that are within the
28 boundary of the employment center district as delineated on the Scripps Florida
29 Phase II/Briger PCD plan, including, but not limited to, plat approvals, site plans,
30 PCD amendments, and administrative approvals, shall be reviewed under those
31 standards set forth in section 78-57 of the city's land development regulations
32 relating to targeted expedited permitting.

33
34 (2) Unless otherwise determined by the growth management administrator, all
35 other development applications, including, but not limited to, plat approvals, site
36 plans, PCD amendments, and administrative approvals that are submitted for the
37 area outside the employment center district shall be processed by the growth
38 management department under those standards set forth in section 78-57 of the
39 city's land development regulations relating to targeted expedited permitting.

40
41 **SECTION 3.** All ordinances or parts of ordinances in conflict be and the same
42 are hereby repealed.

43
44 **SECTION 4.** Should any section or provision of this Ordinance or any portion
45 thereof, any paragraph, sentence, or word be declared by a court of competent jurisdiction
46 to be invalid, such decision shall not affect the validity of the remainder of this Ordinance.

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SECTION 5. Specific authority is hereby given to codify this Ordinance.

SECTION 6. This Ordinance shall become effective immediately upon adoption.

(The remainder of this page intentionally left blank)

PASSED this 17th day of ~~December~~, 2009, upon first reading.

PASSED AND ADOPTED this 1st day of April, 2010, upon second and final reading.

CITY OF PALM BEACH GARDENS	FOR	AGAINST	ABSENT
BY: <u>[Signature]</u> David Levy, Mayor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>[Signature]</u> Robert G. Premuroso, Vice Mayor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>[Signature]</u> Joseph R. Russo, Councilmember	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>[Signature]</u> Eric Jablin, Councilmember	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>[Signature]</u> Jody Barnett, Councilmember	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ATTEST:

BY: [Signature]
Patricia Snider, CMC, City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

BY: [Signature]
R. Max Lehman, City Attorney

[Signature]

EXHIBIT D-2

BENEFIT ASSESSMENT DETERMINATION AND APPORTIONMENT

Unit of Development No. 2C (the "Unit") consists of approximately 681.69 acres of land, some of which will be Assessable Real Property and some of which will be Exempt Acres. Based on the P.U.D Site Plan, DRI, SFWMD Water Management approval, and Developer/Landowner information received to date, it is anticipated that there will be 338.92 acres of land that will be Assessable Real Property that will be benefitted from the implementation and/or construction of the improvements authorized in the proposed Plan of Improvements. Land in the Unit that is not Assessable Real Property, such as land associated with public rights of way, open space, wetlands, wetland buffers, and preserves, will be Exempt Acres. It is expected that the Exempt Acres will not exceed 342.77 acres, but will in any case consist of any land in the Unit that is not Assessable Real Property.

The Amount of Determined Benefits to be received by the Assessable Real Property within the Unit, resulting from implementation of the Plan of Improvements, has been determined to be no less than \$104,949,363 overall (except as hereinafter provided with respect to "Contributions"). The Determined Benefits have been further broken down into \$78,828,378 resulting from Community Infrastructure improvements, and \$26,120,985 resulting from Parcel Infrastructure improvements.

The District Engineer has determined that the benefits received from implementation and/or construction of Community Infrastructure is separate and distinct from the benefits received by Parcels C, D, E, F, and G from implementation and/or construction of Parcel Infrastructure improvements. As such, this report will include two separate and distinct methodologies for establishment and apportionment of benefits.

COMMUNITY INFRASTRUCTURE BENEFITS

To establish a fair and equitable apportionment of the Amount of Determined Benefits to be incurred or derived as a result of the implementation and/or construction of the improvements authorized by the Plan for any portion of the Assessable Real Property in the Unit that is platted and based in part on the level of utilization of certain improvements, the District Engineer has determined that there are nine primary Land Use Classification Categories for the Assessable Real Property within the Unit.

Land Use Classification Categories:

- Biotech A
- Biotech B
- Office
- Hotel
- Commercial/Retail
- Apartment
- Townhome – Residential
- Single Family – Residential
- Utility

It is recommended that:

1. The assignment of a Land Use Classification to land shall be pursuant to a designation of such land on a plat.
2. Northern impose a condition, which should be a covenant running with the land

within the Unit, that no plat of any land within the Unit and no declaration of condominium with respect to any such land be effective or recorded in the public records except with the prior written consent of Northern, which written consent must be attached to or incorporated into the subject plat or declaration, as the case may be.

3. Except as provided below, each separately subdivided parcel of land may only bear one Land Use Classification designation. The designation of a Land Use Classification or undifferentiated blend thereof to a parcel of Assessable Real Property, once so designated, shall not be thereafter subject to change, even if such land is further platted or re-platted, except as herein provided in the case of the undifferentiated blend or with the prior written consent of Northern.
4. A plat may designate all (and not less than all) of a separately subdivided area of land as being within more than one Land Use Classification (for example, Biotech/Office), and all of the land so designated will be treated as a blend of the applicable Land Use Classifications. To effect this method of designation, the plat must (i) designate a specified area of land as being an "Undifferentiated" blend of the applicable Land Use Classifications and (ii) must specify the acreage of each Land Use Classification that comprises the blend, which acreages must equal the total acreage that is subject to the undifferentiated classification (for example, a plat could designate seventy-five acres of land as being "Undifferentiated Hotel (two acres)/ Office (forty acres)/Biotech (thirty-three acres)" but such seventy-five acres of land could not be designated as "Undifferentiated Hotel (two acres)/ Office (thirty acres)/Biotech (thirty-two acres)," because two plus thirty plus thirty-two is not seventy-five).

Subsequent to having been designated as an undifferentiated blend of Land Use Classifications, all (and not less than all) of a separately subdivided area of land may be re-designated (pursuant to a plat) to any single one of the Land Use Classifications included in the blend, and in any acreage not in excess of the acreage of such Land Use Classification originally included in the undifferentiated blend. Upon such designation, the land, if any, that remains subject to the undifferentiated blend will continue to receive the blended benefit but at adjusted acreage levels. For example, if seventy-five acres of land are initially designated as "Undifferentiated Hotel (two acres)/ Office (forty acres)/Biotech (thirty-three acres)," and twenty of those acres are subsequently designated as Office, the remaining fifty-five acres will continue to be treated as "Undifferentiated Hotel (two acres)/ Office (twenty acres)/Biotech (thirty-three acres)."

5. Northern should establish a contractual right, running with the land within the Unit, to require that any plat of land within the Unit designate all or any portion of the land that is subject to such plat as being in one of the nine Land Use Classifications or an undifferentiated blend thereof. All land should bear a designation to a Land Use Classification unless such land is Exempt Acres. Northern will not be able to directly designate land as being within a particular Land Use Classification, but Northern's consent to any plat should be required before it can be effective or recorded (including the Land Use Classification designation therein). Northern should also require that once all land in the Unit is designated by plat, at least 59.57 acres of land will have been designated as Biotech A, at least 32.50 acres of land will have been designated as Biotech B, at least 40.53 acres of land will have been designated as Office, at least 2.00 acres of land will have been designated as Hotel, at least 40.67 acres of land will have been designated as Commercial/Retail, at least 13.00 acres of land will have been designated as Apartment, at least 36.12 acres of

land will have been designated as Townhome-Residential, at least 230.20 acres of land will have been designated as Single Family-Residential and at least 5.00 acres will have been designated as Utility. Land that is included in an undifferentiated blend will be considered designated for purposes of the foregoing minimums at the acreage levels specified in the blended designation.

6. The Land Use Classifications for Assessable Real Property, as described in the preceding paragraphs are being used solely for the purposes of this Report and do not bind any landowner within the Unit as to the actual use of the land subject to such designation. The actual use of a designated parcel of Assessable Real Property will not change the Land Use Classification for said parcel.

The following factors were considered in determining the extent to which land designated to a Land Use Classification category would benefit from the implementation and construction of the Plan: (i) surface water runoff and the percent impervious surface area of each of the nine land uses, (ii) average daily on-site and off-site traffic trips generated by each of the nine land uses, (iii) acreage of land in each of the nine land uses, and (iv) water and sewer demand for each of the nine land uses.

Use of these Land Use Classifications results in the allocation of Determined Benefits for Community Infrastructure as indicated in Table 1 below.

TABLE 1

Land Use Classification	Amount of Determined Benefit	Minimum Area Designation (Acres)	Maximum Benefit Per Acre
Biotech A	\$14,006,977	59.57	235,134.75
Biotech B	8,290,901	32.50	255,104.63
Office	10,897,459	40.53	268,873.88
Hotel	1,491,554	2.00	745,776.99
Commercial/Retail	8,274,866	40.67	203,463.64
Apartment	3,248,575	13.00	249,890.37
Townhome - Residential	5,769,556	36.12	159,733.01
Single Family - Residential	26,506,830	230.20	115,146.96
Utility	341,660	5.00	68,332.05
Total	\$78,828,378	459.59	

Due to the present undeveloped status of the real property located within the Unit, the assessment of the Amount of Determined Benefits derived from the implementation and/or construction of Community Infrastructure improvements shall initially be allocated among all of the Assessable Real Property pro-rata, based upon hundredths of an acre, but once any portion of the land in the Unit is platted and designated with a Land Use Classification, the allocation of the assessment of the Amount of Determined Benefits for the land subject to that plat shall be adjusted as hereinafter set forth.

The Amount of Determined Benefit allocated to land that has been designated in a Land Use Classification shall be apportioned over such land pro-rata on the basis of area rounded to the nearest 1/100th of an acre. Until the minimum acres required to be designated by plat to a Land Use Classification have been designated, the Amount of Determined Benefit allocated to any land that has been designated will equal the area of such designated land (in acres, rounded to

the nearest 1/100th acre) multiplied by the Maximum Benefit per Acre set forth above. Once the minimum acres for a Land Use Classification have been designated, the Amount of Determined Benefit to such Land Use Classification will not increase, and the amount allocated to each acre of land within such Land Use Classification will equal the total Amount of Determined Benefit for such Land Use Classification as set forth above divided by the total number of acres (rounded to the nearest 1/100th acre) designated to such Land Use Classification.

Once the Amount of Determined Benefits attributable to land within each Land Use Classification designated by the applicable plat is computed, that Amount of Determined Benefit will be subtracted from the total Amount of Determined Benefit in Table 1, and the remaining Amount of Determined Benefits shall be allocated to the remaining un-platted Assessable Real Property, if any, and shall continue to be apportioned over the un-platted Assessable Real Property pro-rata on a hundredth of an acre basis until all land in the Unit is platted. The sum of the minimum acres required to be designated by plat to all Land Use Classifications is less than the total acreage of land within the Unit. Once the minimum acreage designations are achieved for each Land Use Classification, there may be land in the Unit that will have no Amount of Determined Benefits allocated to it, however, once all land in the Unit is platted, only land that is not designated to one of the nine Land Use Classifications, but which would be Exempt Acres if designated to a Land Use Classification, will have no benefits allocated thereto.

If platted land is subject to a declaration of condominium, the Amount of Determined Benefits attributable thereto is calculated in the same manner as for platted land not subject to a declaration of condominium. The Amount of Determined Benefits attributable to platted land subject to a declaration of condominium shall be (i) if so provided by the declaration of condominium, divided evenly among the number of condominium units subject to such declaration or (ii) if not so provided in the declaration, divided among such condominium units based upon the proportion of the square footage of each unit to the total square footage of all condominium units subject to such declaration of condominium, or (iii) with the written consent of the District, divided among the condominium units subject to such declaration in such other manner as provided in the declaration of condominium.

There may be a desire by the owners of the lands within the Unit to make payments (a "Contribution") to Northern in order to offset the cost of the Plan on a Land Use Classification area basis and reduce the amount of non-ad valorem assessments that Northern would otherwise levy upon the subject Land Use Classification area, based upon the Amount of Determined Benefit, in order to pay the cost of the improvements applicable thereto.

The Contribution may be directed to be used to reduce or pay specified estimated costs of designing and completing the Plan with respect to specified Land Use Classification areas.

If a Contribution is made, it would not be equitable to assess the specified Land Use Classification area for which the Contribution was made for the amount of the Contribution. Therefore, in the event that on or before the date of issuance of any series of bonds for this Unit, both (a) a Contribution is paid to Northern to pay a percentage of the estimated cost of designing and completing the Plan with respect to a particular Land Use Classification and (b) the contributor has entered into an agreement with Northern whereby the contributor obligates itself to pay the same percentage of the actual cost of designing and completing the Plan with respect to the same Land Use Classification, then the Amount of Determined Benefits to be received by such Land Use Classification will be reduced by an amount equal to the Contribution times the ratio of the Amount of Determined Benefits divided by the Estimated Cost of the Plan of Improvements. Any such reduction in the Amount of Determined Benefits will apply only for the purpose of determining the allocation of debt assessments, and shall not apply to Maintenance Assessments, which shall continue to be allocated and assessed in accordance herewith without regard to the Contribution. In the event of a reduction in the

Amount of Determined Benefit as herein provided, the Maximum Benefit per Acre will be reduced to the amount equal to the adjusted Amount of Determined Benefit divided by the corresponding Minimum Area Designation in Table 1, again, but only for purposes of the allocation of debt assessments.

PARCEL INFRASTRUCTURE BENEFITS

The District Engineer has determined that the benefits to be realized as a result of the implementation and/or construction of the Parcel Infrastructure improvements described in the Plan are specific to each category of Parcel Infrastructure (e.g. "Parcel C Infrastructure) and independent of benefits derived from other categories of Parcel Infrastructure. There are five categories of Parcel Infrastructure, being Parcels C, D, E, F and G.

It is recommended that:

1. The assignment of a Category of Parcel Infrastructure to land shall be pursuant to a designation of such land on a plat.
2. Northern impose a condition, which should be a covenant running with the land within the Unit, that no plat of any land within the Unit and no declaration of condominium with respect to any such land be effective or recorded in the public records except with the prior written consent of Northern, which written consent must be attached to or incorporated into the subject plat or declaration, as the case may be. Northern will not be able to directly designate land as being within a particular Category of Parcel Infrastructure, but Northern's consent to any plat is required before it can be effective or recorded (including the Category of Parcel Infrastructure designation therein).
3. Each separately subdivided parcel of land may only bear one Category of Parcel Infrastructure designation. Once a plat assigns a Category of Parcel Infrastructure designation to a parcel of land, that designation may not thereafter be changed even if such land is further platted or re-platted, except with the prior written consent of Northern.

Northern may permit a plat of land to designate land as being in one of two (not more than two) subcategories of a Category of Parcel Infrastructure (for example, Parcel G-1 and Parcel G-2). The relevance of a sub-category designation is discussed further below. If a plat designates sub-categories within a Category of Parcel Infrastructure, the Amount of Determined Benefit will be allocated pro-rata, on the basis of area, between the two sub-categories of affected land.

4. Northern should establish a contractual right, running with the land within the Unit, to require that any plat of land within the Unit designate all or any portion of the land that is subject to such plat as being in one of the Categories of Parcel Infrastructure. Northern will not be able to directly designate land as being within a particular Land Use Classification, but Northern's consent to any plat should be required before it can be effective or recorded (including the Category(ies) of Parcel Infrastructure designation(s) therein). Northern should also require that once all lands within the Unit are designated by plat, at least 57.00 acres of land will have been designated as Parcel C, at least 25.26 acres of land will have been designated as Parcel D, at least 43.00 acres of land will have been designated as Parcel E, at least 24.06 acres of land will have been designated as Parcel F, and at least 117.00 acres of land will have been designated as Parcel G.

Use of this apportionment methodology results in the allocation of Determined Benefits for Parcel Infrastructure as indicated in Table 2 below.

**TABLE 2
PARCEL INFRASTRUCTURE**

Category of Parcel Infrastructure	Amount of Determined Benefit	Taxing Unit Factor
Parcel C	\$ 5,782,858	0.16
Parcel D	2,349,942	0.22
Parcel E	3,993,492	0.22
Parcel F	3,540,353	0.09
Parcel G	10,454,340	0.25
Total	\$ 26,120,985	

Table 2 sets forth the Amount of Determined Benefit corresponding to each Category of Parcel Infrastructure. While Northern is obligated to complete the improvements described in the Plan, Northern may undertake the implementation of the Parcel Infrastructure improvements in phases. Therefore, it is just and desirable to provide a mechanism whereby the assessment and allocation of the Amount of Determined Benefit for Parcel Infrastructure may also become effective in phases, to the end that assessments imposed to pay the cost of the implementation of the Plan is borne by the benefitted property.

The Amount of Determined Benefit for a Category of Parcel Infrastructure shall remain inchoate and shall not affect the allocation of debt or maintenance assessments levied by Northern nor shall it support the issuance of debt by Northern until the Board of Supervisors has adopted a resolution (an "Activating Resolution") stating that such Amount of Determined Benefit, or any portion thereof, is being activated for purposes of this Report. The Activating Resolution must specify to which Category(ies) of Parcel Infrastructure it relates and the corresponding Amount(s) of Determined Benefit that is being activated. The Activating Resolution may relate to a subcategory of a Category of Parcel Infrastructure if such a subcategory exists as described above. Prior to the completion of the Parcel Infrastructure Improvements, Northern must activate all of the Amount of Determined Benefit for all Categories of Parcel Infrastructure.

The Amount of Determined Benefit for Parcel Infrastructure that has been activated will be allocated to the related land based upon "Taxing Units."

Each separately subdivided lot or parcel of land (a "Lot") within a Residential Parcel that is less than or equal to 0.50 acres in actual area, shall be deemed to be one "Taxing Unit". Each Lot within a Residential Parcel that is larger than 0.50 acres in actual area shall be deemed to be that number of Taxing Units obtained by dividing the actual area of such Lot by the Taxing Unit Factor associated with the category of Parcel Infrastructure listed in Table 2, and rounding the result up to the nearest whole number. The Amount of Determined Benefit allocable to a Lot within a Category (or subcategory) of Parcel Infrastructure will equal the number of Taxing Units assigned to such Lot divided by the total number of Taxing Units with respect to such Category (or subcategory) of Parcel Infrastructure multiplied by the Amount of Determined Benefit, or portion thereof, that has been activated with respect to such Category (or subcategory) of Parcel Infrastructure.

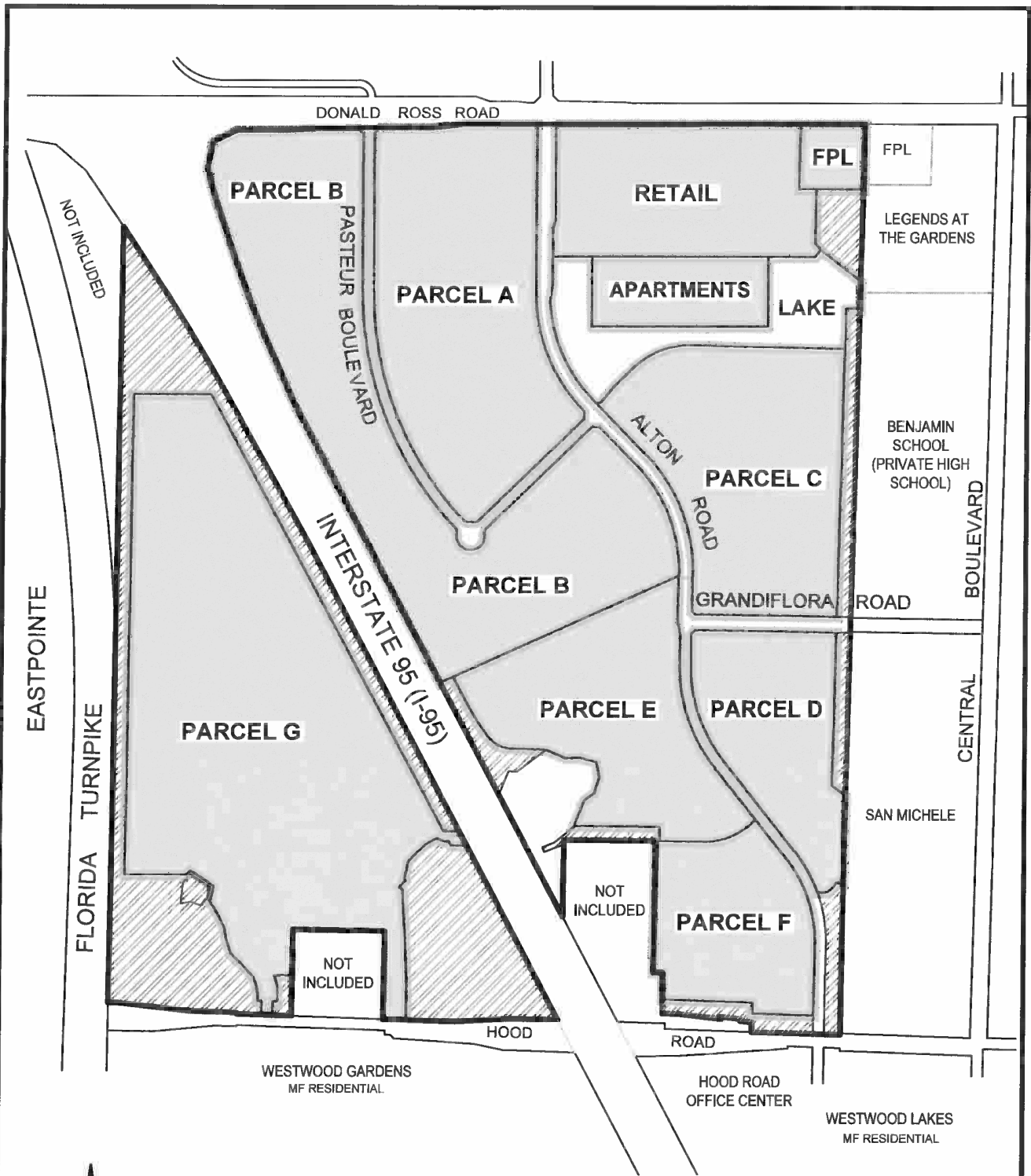
GENERAL

All non-ad valorem assessments imposed by Northern upon the Assessable Real Property in the Unit will be allocated and apportioned in accordance with the Amount of Determined Benefits designation procedures set forth in this Report. The percentage of the total debt and maintenance assessment borne by a particular area of land in a given tax year will be equal to the Amount of Determined Benefit (the sum of the Community Benefit and the activated Parcel Benefit) attributable to such area for such tax year divided by the total Amount of Determined Benefit (the sum of the Community Benefit and the activated Parcel Benefit) for the entire Unit for such tax year, subject to the variation between the allocation of debt and maintenance assessment described herein in the event a Contribution has been made.

Benefit's allocation changes as Assessable Real Property in the Unit is platted and as otherwise provided herein. However, such changes shall be effective for the purposes of Northern's assessments levied in a particular year based upon the data contained in the Unified Real Property Tax Roll of Palm Beach County as of January 1 of such (that is, changes in Land Use Classifications and changes due to new subdivisions of land by plat or other legal means that occur after January 1 of a year will not be taken into account in the levy of Northern's assessments in such year, and will only be taken into account in the following year).

For various reasons, the allocation of Determined Benefits set forth in this Report may require reallocation on occasion. A reallocation shall be calculated by the District Engineer in accordance with the methodology contained in this Report. The District Engineer shall submit a reallocation by means of signed and certified written Supplement to the Report, which shall be promptly filed with the District. Following the filing of a Supplement to the Report, the Supplement shall thereupon be submitted to the District's Board of Supervisors for their timely consideration with their decision to be set forth by Resolution.

Date/Time : Fri, 14 Feb 2014 - 11:43am Path/Name : C:\Projects\UNIT_2C\Projects\UNIT_2C\2014 Report of Engineer\Parcel Designation Map_EXHIBIT E.dwg



PARCEL DESIGNATION MAP

UNIT OF DEVELOPMENT NO. 2C
PALM BEACH GARDENS, FLORIDA

EXHIBIT E

ARCADIS U.S., Inc.
2081 Vista Parkway, West Palm Beach, Florida 33411
Tel: (561) 697-7000 Fax: (561) 697-7751
www.arcadis-us.com

QUALIFICATIONS OF APPRAISER

JOHN KENNETH PARRISH, JR., MAI, SRA
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER #RZ249

PERSONAL

Born in Winter Haven, Florida. Resident of Treasure Coast Area for 44 years.
Licensed as a Broker with Florida Real Estate Commission #0404285.

PROFESSIONAL DESIGNATIONS

Member - The Appraisal Institute
MAI Certificate No. 7980
SRA Senior Residential Appraiser

EDUCATION

University of Florida
Florida Atlantic University:
B.A. Degree in Business Administration, 1982.

PROFESSIONAL COURSES

Society of Real Estate Appraisers Course 102, July 1983
Society of Real Estate Appraisers Course 201, October 1983
Society of Real Estate Appraisers Course 202, November 1984
Society of Real Estate Appraisers Course 101, May 1985
SREA Narrative Demonstration Report, June 1986
SREA Experience Evaluation completed, February 1987
American Institute Course #2 - 3, March 1985
American Institute Course #1A - 1, March 1986
American Institute Course #1A - 2, March 1986
American Institute Course #1B - A, September 1986
American Institute Course #1B - B, September 1986
American Institute Course #2 - 1, March 1987
American Institute Course #2 - 2, July 1987
AIREA Narrative Demonstration Report, January 1988
American Institute Comprehensive Exam, February 1988
AIREA Experience Evaluation Completed October 1988
Appraisal Institute Litigation Valuation Course, March 1991

Served as a Special Master to oversee Tax Appeals for
Palm Beach County

Qualified as an Expert Witness, Palm Beach, Martin, St. Lucie, Broward and Nassau
County Circuit Courts

J. Kenneth Parrish (Cont'd)

SEMINARS ATTENDED (LAST 5 YEARS)

Supervisor Course/Trainee Roles and Rules (April 2008)
Introduction to Expert Witness Testimony (February 2010)
The Cost Approach (February 2010)
Florida Appraisal Laws and Regulations (February 2010)
Ad Valorem Tax Consultation (February 2010)
Florida Supervisor/Trainee Roles and Relations (February 2010)
7-Hour National USPAP (June 2010)
Appraising and Analyzing Office Buildings for Mortgage Underwriting (June 2011)
Ad Valorem Tax Consultation (June 2011)
Appraising Apartments (July 2011)
Florida Appraisal Laws and Regulations (April 2012)
The Dirty Dozen (April 2012)
Foundations of Sustainability (April 2012)
How to Analyze and Value Income Properties (April 2012)
Green Building Applications for Appraisers (April 2012)
Business Practice and Professional Ethics (April 2012)
7-Hour National USPAP (April 2012)
Curriculum Overview – General (May 2012)
Curriculum Overview – Residential (May 2012)

PROFESSIONAL SERVICE

Candidate Guidance Chairman, SREA Chapter #200, 1989-1990
Vice President/Admissions Chairman, SREA Chapter #200, 1990
President Elect, Appraisal Institute, Palm Beach Chapter, 1991
President, Appraisal Institute, Palm Beach Chapter, 1992
Served on Appraisal Institute Experience Review Committee 1989-2000

TYPES OF VALUATION/CONSULTATION SERVICES PERFORMED

Appraisals	Leasehold & Leased Fee
Appraisal Reviews	Valuations
Condemnation	Market Studies
Court Testimony	Reproduction/Replacement
Estate Valuations	Cost Estimates
Feasibility Studies	Partial Interest Valuation
Highest and Best Use Studies	Real Estate Consultation & Research
Tax Assessment Appeals/Impact Studies	

WORK EXPERIENCE

Partner, appraisal firm of Parrish & Edwards, Inc.
July 1985 - Present
Principal Golf Investment Advisors – October, 1998 to June, 2001



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD
1940 N. MONROE ST.
TALLAHASSEE FL 32399-0783

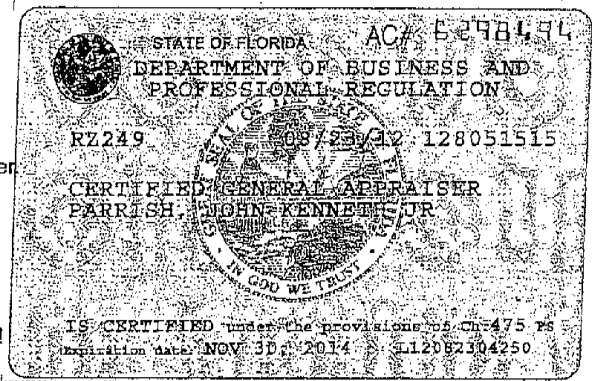
850-487-1395

PARRISH, JOHN KENNETH JR
3418 W MALLORY BLVD
JUPITER FL 33458

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#6298494

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

SEQ# L12082304250

DATE	BATCH NUMBER	LICENSE NBR
8/23/2012	I28051515	RZ249

IS CERTIFIED GENERAL APPRAISER
as defined below IS CERTIFIED
under the provisions of Chapter 495, FS
expiration date: NOV 30, 2014

PARRISH, JOHN KENNETH JR
3418 WEST MALLORY BLVD
JUPITER FL 33458

RICK SCOTT
GOVERNOR

KEN LAWSON
SECRETARY

DISPLAY AS REQUIRED BY LAW

AN APPRAISAL REPORT

OF

**A 96.21 ACRE SITE KNOWN AS
"PARCEL B" OF THE BRIGER TRACT
LOCATED ON THE SOUTHEAST CORNER OF
DONALD ROSS ROAD AND INTERSTATE 95
PALM BEACH GARDENS
PALM BEACH COUNTY, FLORIDA 33418**

PROJECT IDENTIFICATION

"PARCEL B" OF THE BRIGER TRACT

PREPARED FOR

**HEIGHTS BIOTECH INVESTMENTS, LLC
C/O MR. JOHN CSAPO
KOLTER COMMUNITIES
701 S. OLIVE AVENUE, #104
WEST PALM BEACH, FLORIDA 33401**

AS OF

MAY 5, 2014

PREPARED BY

**PARRISH & EDWARDS, INC.
EIN 59-2550770
J. KENNETH PARRISH, MAI, SRA
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER #RZ249**

PARRISH & EDWARDS, INC.

Main Office:

3418 W. Mallory Blvd.
Jupiter, Florida 33458
PH : (561) 622-9992
FAX: (561) 622-9308



St. Lucie Office:

201 Fernandina Street
Fort Pierce, Florida 34949

May 5, 2014

Heights Biotech Investments, LLC
C/O Mr. John Csapo
Kolter Communities
701 S. Olive Avenue, #104
West Palm Beach, Florida 33401

**RE: P&E File No.: JS14-089
Project ID: "Parcel B" – Briger Tract**

Dear Mr. Csapo:

In accordance with your request, we have made an inspection, analysis, and an appraisal of the following:

A 96.21 acre site known as "Parcel B" of the Briger Tract located on the southeast corner of Donald Ross Road and Interstate 95, Palm Beach Gardens, Palm Beach County, Florida 33478.

As a result of our investigation and analysis of the information outlined in the report, we hereby submit that our opinion of the "As Is" Market Value of the Fee Simple Estate of the Subject parcel, as of May 5, 2014, is as follows:

96.21- ACRES

SIXTY THREE MILLION FIVE HUNDRED THOUSAND DOLLARS

\$63,500,000

As a result of our investigation and analysis of the information outlined in the report, we hereby submit that our opinion of the Prospective Market Value of the Fee Simple Estate of the Subject parcel, based on the contribution of Phase I of the **Parcel Infrastructure Benefits as specified in Unit of Development No. 2C – Report of Engineer by the Northern Palm Beach County Improvement District, completed by May 1, 2015**, estimated as of May 5, 2014, is as follows:

96.21 +/- ACRES

EIGHTY SIX MILLION TWO HUNDRED THOUSAND DOLLARS

\$86,200,000

May 5, 2014
Page 2

This report is intended to comply with the standards and reporting requirements of the Uniform Standards of Professional Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

A description of the property appraised, together with an explanation of the valuation procedures utilized, is contained within the body of the report. This letter is made a part of and subject to the Limiting Conditions as set forth in the report herein.

Respectively submitted,



J. Kenneth Parrish, MAI, SRA
State Certified General Real Estate Appraiser #RZ249



Joseph N. Stair
State Certified General Real Estate Appraiser #RZ2952

JKP/JNS/ssc

Encl.

TABLE OF CONTENTS

Part One - Introduction

Title Page
Letter of Transmittal
Table of Contents
Certification of Value
Executive Summary

Part Two – Premises of the Appraisal

Scope of Appraisal
Assumptions and Special Limiting Conditions
Purpose / Intended Use and User of Appraisal
Definition of Value / Date of Value
Property Rights Appraised
Marketing/Exposure

Part Three – Presentation of Data

Photographs of Subject Property	1
Location Map	5
Identification of Subject Property	6
Location of Subject Property	6
Legal Description	6
Owner of Record	6
Palm Beach County Summary	7
Area Map	16
Area and Neighborhood Analysis	17
Site Data	24
Zoning and Land Use	27
Taxes and Assessments	29
Five Year Sales History	30

Part Four – Analysis of Data and Conclusions

Highest and Best Use	32
Valuation Methods	34
Sales Comparison Approach to Value	35
Land Sale Aerials and Write-ups	36
Vacant Land Sales Summary Chart	58
Sales Analysis Discussion and Conclusion	58
Prospective Value	63

EXHIBITS/ADDENDA

Qualifications of Appraisers

CERTIFICATION

We hereby certify that to the best of our knowledge and belief:


1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the Subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed and this review report has been prepared, in conformity with the requirements of the Code of Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. J. Kenneth Parrish and Joseph N. Stair have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance other than the person(s) signing this report.

CERTIFICATION (CONT'D)

11. The Appraisal Institute conducts a program of continuing education for designated members who meet the minimum standards of this program and are awarded periodic educational certification. As of the date of this report, I, J. Kenneth Parrish, have completed the requirements under the continuing education program of the Appraisal Institute.
12. Our analyses, opinions, or conclusions that were developed in this report have been prepared in conformity with the requirements of the State of Florida for the State Certified Appraisers.
13. Our analysis, opinions, or conclusions that were developed in this report have been prepared in conformity with the requirements of the Supplemental Appraisal Standards for Board of Trustees Land Acquisitions.
14. The use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.
15. I, J. Kenneth Parrish, have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
16. I, Joseph N. Stair, have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.



J. Kenneth Parrish, MAI, SRA
State Certified General Real Estate Appraiser #RZ249



Joseph N. Stair
State Certified General Real Estate Appraiser #RZ2952

EXECUTIVE SUMMARY

<u>Project Identification:</u>	Parcel B of the Briger Tract Palm Beach Gardens, Palm Beach County
<u>Parcel Identifications:</u>	A 96.21- acre portion of PCN # 52-42-41-26-00-000-1010
<u>Appraiser:</u>	Parrish & Edwards, Inc. J. Kenneth Parrish, MAI Joseph N. Stair
<u>Dates:</u>	Effective Date of Value: May 5, 2014 Date of Report: May 5, 2014 Date of Inspection: May 5, 2014 Prospective Date: May 1, 2015
<u>Interest Appraised:</u>	Fee Simple
<u>Parcel Size:</u>	Vacant Land: 96.21- Acres
<u>Parcel Access:</u>	Southeast corner of Donald Ross Road and Interstate 95.
<u>Zoning/Land Use:</u>	"PDA", Planned Development Area with an underlying land use of Mixed Use, Palm Beach Gardens.
<u>Assessed Value:</u>	The Subject parcel is assessed as part of the larger 681.69-acre parent tract known as the Briger Tract; Total Assessed Value: \$47,497,540
<u>2013 Taxes:</u>	Total Taxes: \$136,849
<u>Utilities:</u>	Public sewer and water available from Seacoast Utilities. Electricity is provided by FPL. Telephone service is provided by AT&T or other outside services. All other services such as police, fire rescue, and trash collection are also available
<u>Flood Zone Information:</u>	Zone "B" Map Panel #120192 0120 B, dated October 15, 1982.
<u>Mineral Rights:</u>	No indication of Mineral Rights Reservations
<u>Easements:</u>	No apparent adverse easements – only typical utility and road right-of-way easements

Other Encumbrances: None

Highest and Best Use: Hold for future mixed use development or specific special purpose uses

Present Use: Vacant land

Ownership History, Listings, Contract, Sales,

According to the provided site plan the Subject Property consists of Parcel B, a 96.21-acre parcel within the 681.69-acre Briger Tract. A review of the Subject parcel's sales history over the last five years revealed multiple recorded sales. The Subject parcel is part of larger 606.70-acre tract known as the Briger / Alton tract that sold December 23, 2013 for \$127,500,000 or \$21,015 per acre. The buyer was the Kolter Group with the total purchase being recorded by five individual deeds under five separate entities. The deeds for the sale are located in the addenda of this report. The balance of the Briger Tract consists of the 70-acre gross Scripps Campus and a 5-acre utility parcel owned by FPL that had been previously transferred to their current owners. The buyer has paid \$1,200,000 for site planning, \$800,000 for wetland mitigation, \$1,825,000 for mineral rights, and the 2013 real estate taxes of \$136,848 for the parent tract. The portion of these expenses allocated to the Subject (96.21-acre Parcel B) was not provided. Contracts for two tracts within the Subject Parcel are currently being negotiated according to the ownership group. An offer of \$5,000,000 (\$1,000,000 per acre) for a 5-acre parcel known as Tract A was received. The potential buyer intends on developing an Assisted Living Facility. A counter offer of \$5,750,000 (\$1,150,000 per acre) that would provide off-site drainage for the tract was made by the ownership group. An offer of \$3,000,000 (\$750,000 per acre) for a 4-acre parcel known as Tract B was received. The potential buyer intends on developing a Veterinary Campus. A counter offer of \$3,450,000 (\$862,500 per acre) that would provide off-site drainage for the tract, was made by the ownership group. As of the date of this report signed contracts were not provided.

Fee Simple Opinion of Value: \$63,500,000

Unit Values: \$15.15 per square foot

\$26.51 per SF of Approved Building Area

Sales Data: \$6.77 to \$21.50 per square foot

\$25.36 to \$56.67 per SF of Building Area

Prospective Value: \$86,200,000

Unit Values: \$20.57 per square foot

\$35.99 per SF of Approved Building Area

PART II – PREMISES OF THE APPRAISAL

SCOPE OF APPRAISAL

The purpose of the Appraisal is to provide an opinion of the fee simple Market Value of the Subject Property. Our opinion of the Market Value will be derived by utilizing the Sales Comparison Approach which is summarized as follows:

SALES COMPARISON APPROACH - A process of analyzing sales of similar recently sold properties in order to derive an indication of the most probable sales price of the property being appraised.

At the request of the client, an opinion of value for the Fee Simple Estate for the Subject (Parcel B) will be provided. We will provide an "As Is" Market Value prior to the completion of the planned infrastructure and a "Prospective" Value upon the completion of the infrastructure. The infrastructure is to be completed by May 1, 2015.

The Subject Property is identified as "Parcel B" a 96.21-acre portion of the 681.69-acre parent tract known as the Briger Tract and located at the southeast corner of Donald Ross Road and Interstate 95, in Palm Beach Gardens. The Subject parcel is zoned "PDA", Planned Development Area with an underlying land use of Mixed Use. As a vacant parcel, the Cost and Income Approaches were not appropriate. The Sales Comparison Approach is typically the only approach applicable in valuing vacant land.

The Subject Property is approved for development of 1,000,000 square feet of biotech / R&D space, 1,200,000 square feet of office space, and a 300 room hotel.

In utilizing the Sales Comparison Approach, sales of reasonably similar vacant tracts will be considered. Ideally, these tracts will be similar in regard to size, location, terms of sale, development potential and zoning. Consideration will be given to any differences between the Subject Parcel and the Comparables to the extent that such factors, in the opinion of the appraiser, affect value. An opinion of value incorporating these differences will then be applied to the Subject.

Due to the size and topography of the Subject site it was not possible to physically inspect all portions of the Subject site. The inspection of the Subject Property included an analysis of the aerial photographs from the Palm Beach County Property Appraiser's Website (PAPA) and a limited inspection of the site. Also, because of the size, topography, and restricted access for some of the comparables, only a limited inspection of the sales comparables was possible.

EXTRAORDINARY ASSUMPTIONS / SPECIAL LIMITING CONDITIONS

1. Due to the size and topography of the Subject site it was not possible to physically inspect all portions of the Subject site. The inspection of the Subject Property included a review of the Scripps Florida – Phase II / Briger Tract DRI dated December 2008, PAPA aerial photographs, plat maps and a limited inspection of the site.
2. Also, because of the size, topography, and restricted access for the comparables, only a limited inspection of the sales comparables was possible. We have relied upon conversations with the verifying parties and the PAPA aerial photographs in establishing the topography for the sites.
3. The Subject site is an irregular shaped site known as Parcel B and is a part of the 681.69 acre Briger Tract, an undeveloped Tract in northern Palm Beach Gardens. We have been asked to appraise Parcel B which is located at the southeast corner of Donald Ross Road and Interstate 95. The size and shape were taken from a site plan completed by Urban Design Kilday Studios, Job #88-09-005, dated January 9, 2009. For the purpose of this appraisal 96.21-acres will be utilized. A legal description for the Subject was not available as it was a portion of the larger parent tract. The values contained within this appraisal rely on the accuracy of the sizes stated within the provided site plan. If the Subject site size proves to differ from the information provided the values within this report may be affected.
4. According to the Scripps Florida – Phase II / Briger Tract DRI, the Subject Property has all approvals in-place for 1,000,000 square feet of Biotech / R&D space, 1,200,000 square feet of office space, and a 300 room hotel. According to Richard Marrero, Senior Planner with the City of Palm Beach Gardens, the developer will need to submit a development application requesting approval of the site plan for the proposed project to the Palm Beach Gardens Planning and Zoning Department. Prior to the submittal of any application, the developer will need to meet with the City for a pre-application meeting to review the proposal and at that time, the staff would determine the process (i.e., administrative review or public hearings).

EXTRAORDINARY ASSUMPTION/LIMITING CONDITION (CONT'D)

5. Our appraisal involves site improvements and a prospective value estimate upon completion of the proposed site improvements. Therefore, it is a hypothetical condition that the site improvements will be completed. Furthermore, it is an extraordinary assumption that the subject will be completed as planned. The date of the appraisal establishes the context for the prospective value estimate. The prospective value estimates are based on market conditions that exist as of the "as is" valuation date. The appraiser cannot be held responsible for unforeseen future events that may affect the market.
6. An itemized cost estimate for the proposed site improvements was not available as of the date of this report. A general cost estimate of \$20,679,914 or \$6.33 per square foot of net site area, as indicated in the document "UNIT OF DEVELOPMENT No. 2 C, Report of Engineer for the Northern Palm Beach County Improvements District, dated February 14, 2014". The Prospective Value contained within this report assumes the site improvements planned for the Subject Site will be completed by approximately May 2015.

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is an appraisal report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is summarized in this report and/or retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within this report. The appraiser is not responsible for unauthorized use if this report.
2. Unless otherwise stated, the value appearing in this appraisal represents our opinion of the Market Value of the value defined AS OF THE DATE SPECIFIED. Values of real estate are affected by national and local conditions and, consequently, will vary with future changes in such conditions.
3. Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use. The physical report(s) remain the property of the Appraiser for the use of the client, the fee being for the analytical services only. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed, or copied without the written consent of an officer of the appraisal firm of Parrish & Edwards, Inc., and then only in its entirety.
4. Neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations efforts, news sales, or other media without written consent and approval of an officer of Parrish & Edwards, Inc.; nor may any reference be made in such public communications to the Appraisal Institute or the MAI/SRA/SRPA designations.
5. The Appraiser may not divulge the material contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing, except as may be required by the Appraisal Institute or as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

6. Analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
7. This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis which are set forth were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as Review Appraiser. No change of any item in the report shall be made by anyone other than the Appraiser, and the Appraiser and the firm shall have no responsibility if any such unauthorized change is made.
8. No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.
9. No responsibility is assumed for accuracy of information furnished by or from others, the clients, his designee, or public records. We are not liable for such information or the work of possible subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit. All are considered appropriate for inclusion to the best of our factual judgment and knowledge.
10. The contract for appraisal, consultation, or analytical service is fulfilled and the total fee payable upon completion of the report. The Appraiser or those assisting the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part nor engage in post-appraisal consultation with client or third parties, except under separate and special arrangement and at an additional fee.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

11. Liability of Parrish & Edwards, Inc. and its subcontractors is limited to the fee collected for preparation of the appraisal. There is no accountability of liability to any third party.
12. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status, as of the date of the photos.
13. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which made it more or less valuable. The Appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these facts. No topographical survey was provided.
14. The distribution of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in the conjunction with any other appraisal, no matter how similar, and are invalid if so used.
15. No environmental or impact studies, special market studies or analyses, highest and best use analysis study, or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The Appraiser reserves the unlimited right to alter, amend, revise, or rescind any of the statements, findings, opinions, values, estimates, or conclusions upon any subsequent such study or analysis of previous study or analysis, subsequently becoming known to him.
16. The market value estimated and the cost used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.
17. This appraisal expresses our opinion and employment to make this appraisal was in no way contingent upon the reporting of a predetermined value or conclusion. The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

18. The value estimate in this appraisal report is gross without consideration given to any encumbrance, restriction, or questions of title unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon the race, color, national origin of the present owners, or occupants of the properties in the vicinity of the property appraised.
19. In this appraisal assignment, the existence of potentially hazardous material used in construction, such as the presence of urea formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The Appraiser is not qualified to detect such substances. We urge the client to retain an expert in this field, if desired.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the Appraiser become aware of such during the Appraiser's inspection. The Appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The Appraiser, however, is not qualified to test such substances or conditions. The presence of such substances such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property. The value estimate is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate, if so desired.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

20. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
21. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an opinion of the Market Value of the unencumbered Fee Simple Estate of the Subject Property, as of May 5, 2014 and prospective value upon completion of Phase I of the planned infrastructure by May 1, 2015. The actual date of inspection was May 5, 2014.

INTENDED USE AND USER OF THE APPRAISAL

The intended use of this appraisal is to provide opinions of:

1. The "As Is" Market Value of the Subject Property as unencumbered as of May 5, 2014.
2. The Prospective Market Value of the Subject Property based on the contribution of Community Infrastructure Benefits as specified in Unit of Development No. 2C – Report of Engineer by the Northern Palm Beach County Improvement District, dated February 14, 2014

The intended users of this report are Heights Biotech Investments, LLC., c/o Mr. John Csapo and the Northern Palm Beach County Improvement District.

PROSPECTIVE VALUE:

A forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

DEFINITION OF MARKET VALUE

The regulatory required market value definition is:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source:

*Supplemental Appraisal Standards for Board of Trustees Land

*Uniform Standards of Professional Appraisal Practice,
Page I-7

*Federal Reserve System, 12 CFR Parts 208 and 225,
Sec. 225.62

*Office of the Comptroller of the Currency, 12 CFR Part 34,
Sec. 34.42

*FDIC, 12 CFR Part 323, Sec. 323.2

*Office of Thrift Supervision, 12 CFR Part 564, Sec. 564.2

*NCUA, 12 CFR Part 722, Sec. 722.2

*RTC, 12 CFR Part 1608, Sec. 1608.2

*FIRREA, Title XI

EFFECTIVE DATE OF VALUE OPINION: May 5, 2014
DATE OF INSPECTION: May 5, 2014
DATE OF REPORT: May 5, 2014
PROSPECTIVE DATE: May 1, 2015

PROPERTY RIGHTS APPRAISED:

The Fee Simple value has been provided. The definition of Fee Simple is as follows:

Fee Simple: An absolute fee; a fee without limitation to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

MARKETING/EXPOSURE TIME:

Per the Appraisal Institute, Exposure Time relates to the time preceding the appraisal date that the Subject hypothetically would have been offered on the market prior to a hypothetical sale on the effective date of the appraisal. Marketing Time is the time required to sell the property after the appraisal date.

In estimating the marketing period for the Subject Properties discussions were held with local real estate professionals including brokers and property managers specializing in the Subject's area.

Based on discussions with brokers, other professionals in the market, and the actual marketing time of the Comparables a marketing/exposure time for the vacant land of 12 to 24 +/- months is considered reasonable, assuming marketing by an experienced broker at a reasonable price.

PART III – PRESENTATION OF DATA



AERIAL PHOTO OF SUBJECT PARCEL



SUBJECT PARCEL FACING SOUTH FROM DONALD ROSS ROAD



SUBJECT PARCEL FACING EAST FROM I-95 EXIT RAMP



VIEW LOOKING SOUTHWEST FROM DONALD ROSS ROAD



VIEW LOOKING SOUTHEAST FROM DONALD ROSS ROAD



DONALD ROSS ROAD LOOKING WEST



DONALD ROSS ROAD LOOKING EAST



LOCATION MAP

IDENTIFICATION OF SUBJECT PROPERTY

The Subject Property consists of 96.21-acres of vacant, unimproved land located in the northeastern portion of Palm Beach County. More specifically, the Subject Property is located on the southeast corner of Donald Ross Road and Interstate between 95, Palm Beach Gardens, Palm Beach County, Florida.

A more complete description of the Subject parcel as well as area/neighborhood analysis, site data, highest and best use analysis, and the applicable approaches to valuation will be included herein.

LOCATION OF SUBJECT PROPERTY

The Subject Property is located within the 681.69 acre Scripps Florida Phase II / Briger Tract Development of Regional Impact (DRI). More specifically, the Subject Property is located on the southeast corner of Donald Ross Road and Interstate 95 in close proximity to the FAU Northern Campus, the Scripps Research Institute's 350,000-square-foot, state-of-the-art biomedical research facility and the recently completed 100,000 square foot Germany based Max Planck Society Research Institute.

LEGAL DESCRIPTION

A legal description for the Subject Property, Parcel B, is not available. A lengthy legal description of the larger parent tract is located within the Warranty Deeds contained in the addenda of this report. The property lies within a portion of Section 26, Township 41 South, Range 42 East, Palm Beach County, Florida. For a full legal description see the Addenda.

OWNERS OF RECORD

Heights Biotech Investment, LLC and KG Donald Ross, LLC

Education

For 2013 – 2014 school year, the Palm Beach County school system ranks as the 5th largest in Florida and the 11th largest in the nation with 181,205 students enrolled. There are number of public schools including 109 elementary schools, 33 middle schools, 23 High schools, 2-ESE, with 41 charter schools. Overall enrollment has remained steady from the previous school year. There are a number of larger private schools serving the Palm Beach County from preschool through 12th grade.

Palm Beach County has several colleges / universities / technical institutes. Palm Beach Community College was a public 2-year college but in 2008 the school received approvals to start offering four year degrees and in 2010 the school's name was changed to Palm Beach State College. Palm Beach State College has four campuses having an estimated total enrollment of approximately 47,900 full and part-time students. Florida Atlantic University (FAU) is a 4-year college, whose main campus is in Boca Raton and had a total enrollment of approximately 30,000 students. FAU is a member of the state university system and has six campuses that extend from Davie up to the Treasure Coast. Other higher-learning institutions include Lynn University with approximately 2,000 students, Palm Beach Atlantic University with approximately 3,700 students. Other schools have campuses located in Palm Beach County including Northwood University, South University, Keiser University and Barry University.

Transportation

Roads in the county essentially run east-west and north-south, forming a grid system over the eastern one-third of the county. Roadways that extend beyond the county's borders include State Road 80, State Road 710, Interstate 95, and Florida's Turnpike.

State Road 80 connects coastal Palm Beach County with the Glades and the west coast of Florida. This roadway was widened to four lanes from West Palm Beach to Belle Glade several years ago.

State Road 710 (Beeline Highway) runs from the West Palm Beach area of Palm Beach County and travels northwest into Martin County.

Interstate 95 is an interstate highway running from Florida to Maine. It serves as the main north/south artery in the county, transporting over 145,000 cars per day.

Florida's Turnpike is a toll road running from Wildwood to Miami. It serves a mix of tourist and local traffic. The Turnpike is generally parallel and to the west of Interstate 95. Several exits and all of the rest stops have recently undergone renovation.

Palm-Tran is a county wide bus system serving all of the county and runs seven days a week.

Rail transport is via two carriers: Florida East Coast Railway and CSX Transportation. Both lines are primarily freight oriented with limited passenger service via Amtrak. The Tri-Rail Commuter Rail system services Dade, Broward, and Palm Beach counties for commuter travel between Miami and West Palm Beach.

There are five public, general aviation airports in Palm Beach County and eight private airfields which serve local commercial/executive needs. The largest, Palm Beach International Airport is centrally located southwest of the city of West Palm Beach and eighteen airlines currently serve destinations in the continental United States and direct international flights to the Caribbean and Canada.

The Palm Beach International Airport had total passengers of 5,649,437 for the twelve month period ending October 2013 which was an increase of 0.9% from the previous 12 month period. The largest passenger carriers for the 12 month period ending October 2013 were Delta Airlines and Jet Blue with a 29.26% and 25.00% share of the market. Other significant carriers included Southwest Airlines, United/Continental Airlines, American Airlines and U.S. Airways.

The Port of Palm Beach is located due west of the Lake Worth inlet in Lake Park. The Port of Palm Beach is the fourth busiest container port of Florida's 14 deepwater ports, and is the 18th busiest container port in the United States. The Port handles a variety of incoming and outgoing cargo including agricultural products, general cargo, oil and cement, and cruise line passengers. The Port of Palm Beach and its tenants combine to become one of the largest employers in Palm Beach County with many exports supporting the Caribbean. A Foreign Trade Zone has been in operation since 1987.

Economic Drivers

Population growth through in-migration is one of the primary economic drivers in the county. The county's year round population increased approximately 31% from 863,365 in 1990 to 1,131,191 in 2000. Projected population estimates are expected to continue to increase but at a much slower pace. Palm Beach County's population was 1,320,134 for 2010 and is projected to be 1,465,309 in 2020. The estimated additional seasonal population in Palm Beach County for 2010 was 143,837. The following page provides a breakdown population estimates by municipality.

Area	April 1, 2012 Population Estimate	April 1, 2010¹ Census
<i>Palm Beach County</i>	1,335,415	1,320,134
Atlantis	2,017	2,005
Belle Glade	17,722	17,467
Boca Raton	85,413	84,392
Boynton Beach	68,741	68,217
Briny Breezes	604	601
Cloud Lake	133	135
Delray Beach	61,495	60,522
Glen Ridge	220	219
Golf	252	252
Greenacres	38,079	37,573
Gulf Stream	928	786
Haverhill	1,885	1,873
Highland Beach	3,629	3,539
Hypoluxo	2,631	2,588
Juno Beach	3,233	3,176
Jupiter	56,337	55,156
Jupiter Inlet Colony	398	400
Lake Clarke Shores	3,359	3,376
Lake Park	8,272	8,155
Lake Worth	35,110	34,910
Lantana	10,536	10,423
Loxahatchee Groves	3,173	3,180
Manalapan	410	406
Mangonia Park	1,783	1,888
North Palm Beach	12,177	12,015
Ocean Ridge	1,807	1,786
Pahokee	5,858	5,649
Palm Beach	8,358	8,348
Palm Beach Gardens	49,108	48,440
Palm Beach Shores	1,150	1,142
Palm Springs	19,769	18,928
Riviera Beach	32,723	32,488
Royal Palm Beach	34,421	34,140
South Bay	4,711	4,876
South Palm Beach	1,212	1,171
Tequesta	5,652	5,629
Wellington	57,514	56,508
West Palm Beach	101,668	99,919
Unincorporated	592,927	587,856

Sources: 2012, 2010 US Census and Office of Economic and Demographic Research

Health Care

Health care is one of Florida's fastest growing service sectors, employing over 500,000 of the state's service workers and generating almost \$1.3 billion dollars in payrolls. Approximately 35,000 health care practitioners and workers are employed in Palm Beach County.

Palm Beach County has 15 acute-care hospitals including the Veterans Administration Medical Center. The available beds in these hospitals total 3,645. Included are two trauma centers - one at Delray Medical Center in Delray Beach, and the other at St. Mary's Medical Center in West Palm Beach. Two of the County's largest hospitals - Good Samaritan and St. Mary's Medical Centers - merged, becoming Tenet South Florida Health System.

There are 42 nursing homes with 5,250 beds available in Palm Beach County. In addition, there are two Hospices, ten Public Health Clinics, numerous Treatment Centers, and Adult Living Facilities to serve the needs of the population.

Construction

Below is the building permit activity for new home construction and related commercial and industrial properties and permitted values in recent years:

Bldg. Permit Activity	2009	2010	2011	2012	2013
Housing Units	1,083	1,215	2,316	4,244	5,051
Valu-Housing Permits	\$0.35B	\$0.44B	\$0.67B	\$0.91B	\$1.17B
Valu-Comm/Other *	\$0.48B	\$0.34B	\$0.30B	\$0.36B	\$0.38B
Valu-Total *	\$0.83B	\$0.78B	\$0.97B	\$1.27B	\$1.55B
*includes repairs/additions/ public construction					
B = Billion					
Source: Palm Beach County					

With the economic downturn, there was a sharp downward trend in the number and value of building permits issued over the past several years. In 2011, the number and value of building permits increases.

There are approximately 36 new residential developments in Palm Beach County with housing prices ranging from \$300,000 to over 1 million. Other new construction projects have begun including the first phase of the new Palm Beach Outlet Mall which opened on February 14, 2014 with approximately 100 stores. This mall replaces the old Palm Beach Mall.

Tourism

Palm Beach County is one of Florida's major destinations for business and leisure travelers. The county visitor industry employs more than 50,000 people and contributes more than \$2.6 billion annually to the economy.

South Florida hotels closed out 2013 with fewer empty rooms and higher prices, buoyed by increases in international visitors, sports tourism and leisure business. Palm Beach County hotels were 71 percent occupied in December versus 66.5 percent a year before, while average rates climbed to \$162.29 from \$150.81, Smith Travel data showed. Palm Beach County hotels had 71.6 percent occupancy for the full year and an average daily rate of \$145.84. By comparison, Palm Beach county inns were 67.4 percent full in 2012, with average rates of \$140.92. *Source: Hotel Rooms Filling Up In South Florida, January 20, 2014 Sun Sentinel.*

The Palm Beach International Airport had total passengers of 5,649,437 for the twelve month period ending October 2013 which was an increase of 0.9% from the previous 12 month period.

Agriculture

Commercial agricultural production is one of Palm Beach County's major core industries and employer. Two major crops in Palm Beach County are sugar and citrus. Agricultural production is expected to remain a vital segment of the Palm Beach County economy however coastal farmland acreage is gradually declining as urbanization spreads westward.

In addition, Palm Beach County's Equestrian community is one of the country's premier locations for polo, jumpers, and dressage. Additionally, there is an extensive private recreational horse population.

Employment

Palm Beach County's average wage mirrors the national average wage. Major job categories of labor ranked by percentage are from the Business Development Board of Palm Beach County, released 1/2014, and are shown below:

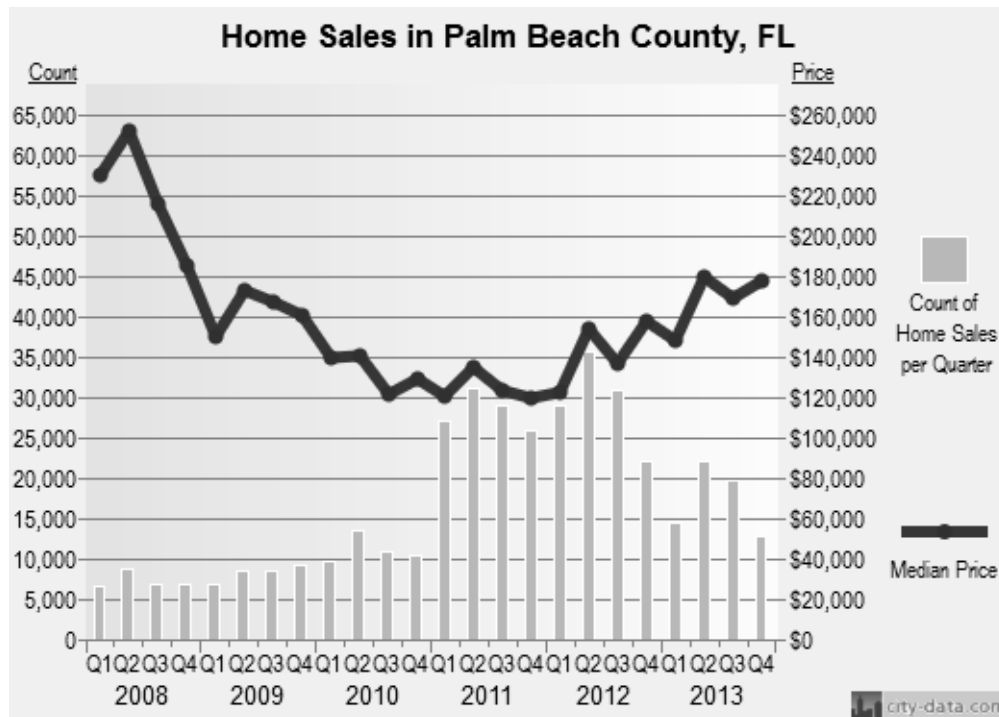
	As of December 2013	December 2013-2012 % of Change
Labor Force & Industry		
Total Non Agricultural Employment	543,400	2.5%
Total Private	477,100	2.4%
Goods Producing	38,500	-4.7%
Construction	24,100	-3.2%
Manufacturing	14,200	-7.2%
Service Providing	504,900	3.1%
Private Service Providing	438,600	3.1%
Trade, Transportation, and Utilities	109,500	5.4%
Wholesale Trade	21,900	0.0%
Retail Trade	70,900	1.7%
Transportation, Warehousing, & Utilities	9,900	3.1%
Information	9,000	-1.1%
Financial Activities	36,200	0.8%
Finance and Insurance	22,400	0.9%
Professional & Business Services	94,000	3.2%
Professional & Technical Services	40,800	3.0%
Mgt of Companies & Enterprises	9,000	2.3%
Administrative & Waste Services	44,200	3.5%
Education & Health Services	86,000	3.6%
Leisure & Hospitality	76,300	1.9%
Accommodation & Food Services	58,800	1.6%
Other Services	27,600	2.2%
Total Government	66,300	3.1%
Labor Force	634,923	-0.3%
Employment	596,849	-0.1%
Unemployment	38,074	-6.8%

The county's selected larger employers (government and private) are estimated, as shown below:

<u>Employer</u>	<u>#</u>	<u>Employer</u>	<u>#</u>
P. B. C. School Board	21,495	A. Duda & Sons	1,100
P. B. County	11,381	Palm Beach State College	1,070
Tenet Healthcare.	6,100	Westport Sr. Living Fund	1,000
Florida Power & Light	3,632	Pratt & Whitney Rocketdyne	1,000
G4S	3,000	Bank of America	1,000
HCA	2,714	Thomas Produce	1,000
FL Atlantic University	2,706	Wells Fargo	1,000
Bethesda Mem. Hospital	2,391	S.FL Water Mgt District	978
Office Depot	2,250	City of Boynton Beach	873
Boca Raton Reg. Hosp.	2,250	TKM-Bengard Farms	800
V.A. Medical Center	2,207	NCCI	800
Florida Crystals	2,000	Continental Group	750
Boca Raton Resort Hotel	1,800	Walgreens Distribution	720
The Breakers	1,800	PGA National Resort & Spa	700
US Sugar	1,700	TBC Corp.	600
City of WPB	1,600	Thermo Electron	600
City of Boca Raton	1,600	Tropical Shipping	600
Simplex / Tyco/ADT	1,500	IBM	600
Jupiter Medical Center	1,300	Cheney Bros.	590
Southland Forming	1,200	Applied Card Systems	550
Sikorsky Aircraft	1,105	PNC	512

Source: Business Development Board updated for December 2011.

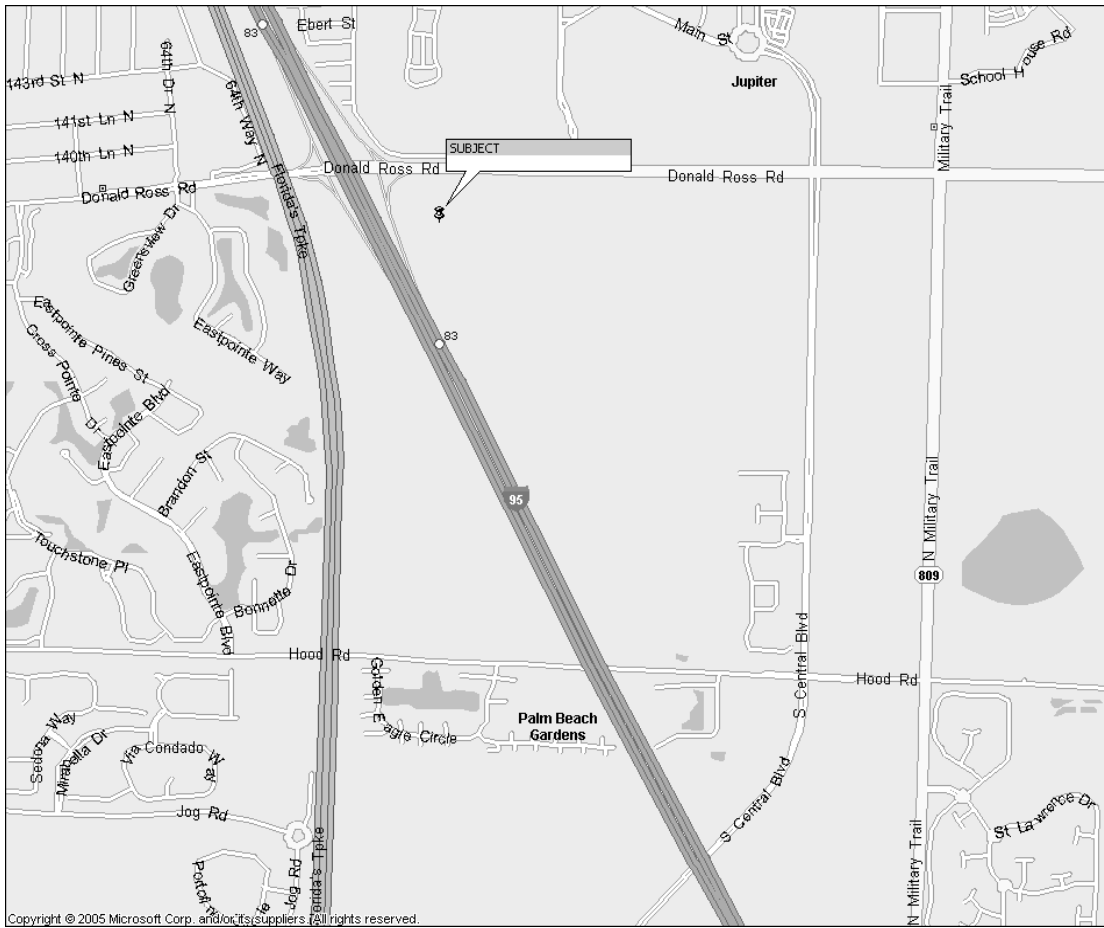
Except during the 2004 hurricane season when the unemployment rate jumped to 6.1%, unemployment rates in Palm Beach County had remained relatively low. Unemployment rates in Palm Beach County, the State of Florida, and the Nation have increased since the lows experienced in 2005/2006 with a significant increase experienced between 2007 and 2011. The County's unemployment rate in December 2012 was 7.93%. As of December 2013, Palm Beach County's unemployment rate was at 6.0% with the state average of 5.9% and the national average of 6.5%. The largest area of increased employment (7.3%) was in Retail Trade. Palm Beach County's labor force for December 2012 was 635,084. In December 2013, the labor force was 634,923 showing the labor force has remained about the same over the year.



Summary

From late 2005 / early 2006 until 2011, the housing market saw a significant increase in the supply of available residential units and a decrease in the number of building permits. Over this time period, foreclosure rates and short sales trended upward in Palm Beach County and all of South Florida. The declining housing market and poor economic conditions also had an effect on the commercial and industrial market with both rental rates and occupancy rates for most market segments softening. This resulted in lower sales prices for the limited number of properties that sold.

Over the past 12-24 months, the economy and residential market have shown significant signs of improvement. This is also beginning to carry over into the commercial and industrial market. As the turnaround continues to unfold, values in both the residential and commercial market should continue to increase but at a much slower rate than in years past.



Area Map

AREA/NEIGHBORHOOD ANALYSIS

The Subject Property is Parcel B, an “L” shaped parcel of vacant land containing a total of 96.21 acres, within the 681.69 acre Scripps Florida Phase II / Briger Tract Development of Regional Impact (DRI). The Subject site is located on the southeast corner of Donald Ross Road and Interstate 95, Palm Beach Gardens, Florida 33418.

The Subject neighborhood can best be described as the area between Alternate A1A on the east, Indiantown Road on the north, the Florida Turnpike on the west, and PGA Boulevard on the south.

Access in the neighborhood to recreational facilities, shopping, commercial services, public facilities, and other Palm Beach County metropolitan areas is good. The West Palm Beach Central Business District lies approximately thirteen miles to the south. Palm Beach International Airport is also approximately thirteen miles south.

The major east/west roads consist of Donald Ross Road extending from A1A on the east to several miles west of I-95, PGA Boulevard on the southern boundary, and Indiantown Road at the northern boundary of the neighborhood. The major north/south routes within or near the neighborhood are Central Boulevard, Military Trail, Alternate A1A, Interstate 95, and the Florida Turnpike. Interstate 95 has interchanges at Donald Ross Road, PGA Boulevard and Indiantown Road. The Florida Turnpike has interchanges at PGA Boulevard and Indiantown Road.

Military Trail extends nearly the entire distance of Palm Beach County, from north to south. In the Subject area, it is six lane road with a median strip and turning lanes. Central Boulevard runs south from Indiantown Road to PGA Boulevard where it terminates.

PGA Boulevard is a rapidly expanding commercial thoroughfare. PGA Boulevard is considered a primary thoroughfare and provides convenient access to the area for those traveling on any of the major north/south roads such as the Florida Turnpike, Interstate 95, Military Trail and U. S. Highway No. 1.

Palm Beach County traffic counts near the Subject Property are as follows:

<u>Traffic Count Location</u>	<u>July 2013 Average Daily Traffic Counts</u>
Donald Ross Road between I-95 and Parkside Drive:	34,814
Donald Ross Road east of Parkside Drive:	30,002
Central Boulevard south of Donald Ross Road:	16,224
Military Trail south of Donald Ross Road:	24,151

AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

The Scripps Florida – Phase II / Briger Tract DRI is a proposed multi-use development on approximately 681.69 acres in the City of Palm Beach Gardens. The project site is located immediately east of the Florida Turnpike, south of Donald Ross Road and north of Hood Road. The site is divided north-south into two pieces by I-95. The site is bounded by the Florida Turnpike to the west; the Abacoa DRI to the north, residential properties and Benjamin School to the east, and residential and vacant property to the south. Abacoa, Scripps Phase I and other properties to the north of the project are located in the Town of Jupiter.

The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The development is proposed to occur in four, four-year phases with build-out in 2028.

The Subject site is located just south of the Abacoa DRI. Abacoa is located in the Town of Jupiter north of Donald Ross Road and east of I-95. This 2,055 acre Master-planned, Mixed-Use Community was to be developed over 10 years and includes a Town Center, numerous residential neighborhoods, Florida Atlantic University, Roger Dean Stadium, The Links at Abacoa, municipal playing fields, Public Schools, a Community Plaza and greenways. Abacoa is a new urbanism concept, designed around pedestrian-friendly boulevards with the concept of mixing land uses to create an eclectic flavor and minimize automobile commuting. Abacoa includes elements of traditional neighborhoods, including residential over commercial development in a Town Center, houses with front porches and garages in the rear, small neighborhood parks, and a varied mix of land uses in order to create a self contained environment. One tenet of the new urbanism concept is the residential neighborhoods are not gated, and Abacoa holds true to this.

The Town Center is a retail, business and entertainment district and is proposed to contain 290,000 square feet in Phase I & II and a total of 440,000 square feet at final build-out. Phases I & II were completed in early 2000. Some of the uses existing or planned in the Town Center include 510,000 square feet of offices, a 20,000 square foot health and fitness club, a common lawn with open-air stage situated on one acre of land, a 4,000 seat theater 16-screen complex plus large screen format theater, 130 room hotel and a 20,000 square foot conference center. The theater tenant (Crowne) vacated the building when the Cobb Theater opened near the Gardens Mall and the theater remained vacant for some time before being demolished in June 2010. Of the 2,055 total acres, the Town Center will be situated on approximately 70 acres.

AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

The most recent project in the area is the new Courtyard by Marriott, which is scheduled to open its doors in Abacoa by mid May 2014. The four-story, 128 room hotel is located at 4800 Main Street in the Abacoa Town Center area, across the street from the Roger Dean Stadium.

The Roger Dean Stadium is the spring training facility for the St. Louis Cardinals and Florida Marlins major league baseball teams. It is also the home of the Jupiter Hammerheads Single "A" baseball team. The stadium has a seating capacity of 6,800. In addition to the stadium there are 12 practice / municipal playing fields for little league and other sports.

Security firm G4S Wackenhut moved to their new four-story, 63,000-square-foot building in February 2011. Wackenhut spent two years shopping for space in and out of Palm Beach County. The company moved its headquarters to Palm Beach Gardens from Miami-Dade County in the 1990s.

The Workplace Campus will be located in close proximity to the Town Center, FAU campus, the Honors College and to residential neighborhoods. Further, the Workplace will be electronically "connected" to the Internet via state-of-the-art technology. The Workplace is planned to be the host of a number of different business and corporate users, which would include corporate offices, light industrial, retail / offices, retail and research and development.

Two college campuses are developed within walking distance of the stadium and Town Center. The campuses are the home of the John D. MacArthur Jupiter Campus of Florida Atlantic University and their Honors College. The John D. MacArthur Jupiter Campus of Florida Atlantic University is a commuter-oriented school for junior, senior and graduate students. This campus was estimated to have 10,000 students in year 2011. The Honors College is a four-year liberal arts college complete with dorms and student residents. Only 1,500 top scholars attend this college. In addition to the college campuses, the Palm Beach County School Board has developed two elementary schools and one middle school.

Another major development that will have a significant effect on the City of Palm Beach Gardens and the Town of Jupiter over the long term is the construction of the Scripps Research Institute, a California based biotechnology research firm. The facility was built in the Abacoa area adjacent to the Florida Atlantic University campus at Abacoa along the north side of Donald Ross Road. The Scripps Research Institute's 350,000-square-foot, state-of-the-art biomedical research facility officially opened on February 26, 2009. The three new laboratory and administrative buildings, which cost approximately \$187 million to construct, currently house close to 300 employees. According to the Governor's Office, over the next 15 years, Scripps Florida is projected to create 6,500 new jobs and generate about \$1.6 billion in additional income to Floridians, while boosting the state's Gross Domestic Product by \$3.2 billion.

AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

The Munich, Germany based Max Planck Society research institute was recently completed next to the Phase I Scripps research center. The county provided \$87 million and the state another \$94 million for this project. This venture is expected to create approximately 2,000 high wage jobs over the next 20 years. This facility was built beside Scripps on a 6 acre tract owned by FAU and contains approximately 100,000 square feet. The Briger property is located across the street from Scripps and is planned to be developed with spin off companies created by Scripps patents which are sold to companies who then develop the pharmaceuticals.

There are a number of major residential projects within the area that impact the Subject neighborhood.

Abacoa contains a wide variety of housing types including large- and small-lot single-family detached homes, townhouses, condominiums, free-standing apartments, and apartments above the town center retailers. Front porches, sidewalks, bike paths, and narrow streets make the neighborhoods and the town center more accessible while reducing the number of cars on the road. In addition, the greenway trails connect neighborhoods with pedestrian paths, and a free weekend trolley bus brings residents to and from the town center, stadium, and Abacoa Plaza.

Abacoa includes as many as 5,800 residential units contained within a total of 15 sub-divisions. The current prices range from approximately \$200,000 per unit to over \$1,000,000 for the estate homes.

PGA National is a resort/golf course community located between Northlake Boulevard and PGA Boulevard just west of the Florida Turnpike. The PGA National development contains 2,340 acres and has a potential of 6,900 dwelling units. Sizes range from 2,136 SF to 6,012 SF. PGA National also includes many other type projects such as zero-lot-line homes, condominium developments, and multi-story townhouse developments.

BallenIsles is a golf course community located between Northlake Boulevard and PGA Boulevard just east of the Florida Turnpike. This development is a gated country club style community with a clubhouse, three golf courses, and tennis courts. BallenIsles also includes several other type projects such as zero-lot-line homes and villas.

AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

Mirasol is a newer residential community located approximately 2 miles north of PGA Boulevard off of Jog Road near the Florida Turnpike. This project began development in 2006. Models range from 3 to 5 bedroom homes. Most of the homes range in size from approximately 2,000 SF to 5,000 SF. There are several custom built homes ranging in size from approximately 6,000 SF to 10,000 SF.

Old Palm is a golf course community located just east of the Florida Turnpike on the north side of PGA Boulevard. This community golf course consists of 650 acres with 294+/- homes. The estates range from 3,381 SF to 6,480 SF and custom homes starting at 7,000 SF.

Other projects in the Jupiter / Palm Beach Gardens area include Admirals Cove, Frenchman's Creek, The Bear's Club, Frenchman's Reserve, Jonathans Landings, Mirasol, BallenIsles, Old Marsh, Frenchman's Harbor, Evergreen and San Michelle. Several smaller projects are also active in the immediate neighborhood typically west of Military Trail.

MLS information regarding recent sales within the Jupiter & Palm Beach Gardens market is shown below.

JUPITER / PALM BEACH GARDENS AREA RESIDENTIAL SALES

<u>TYPE</u>	<u># OF SALES</u>	<u>SALE DATE</u>	<u>MEDIAN SALE PRICE</u>	<u>% CHANGE</u>
SFR	1,588	5/8/10-5/8/11	\$495,774	
	1,698	5/8/11-5/8/12	\$442,268	-10.79%
	2,183	5/8/12-5/8/13	\$523,582	18.39%
	2,209	5/8/13-5/8/14	\$539,874	3.11%
Condos	647	5/8/10-5/8/11	\$181,306	
	680	5/8/11-5/8/12	\$201,974	11.40%
	784	5/8/12-5/8/13	\$206,153	2.07%
	752	5/8/13-5/8/14	\$258,312	25.30%
Townhomes	492	5/8/10-5/8/11	\$186,681	
	606	5/8/11-5/8/12	\$175,153	-6.18%
	595	5/8/12-5/8/13	\$218,573	24.79%
	710	5/8/13-5/8/14	\$232,591	6.41%

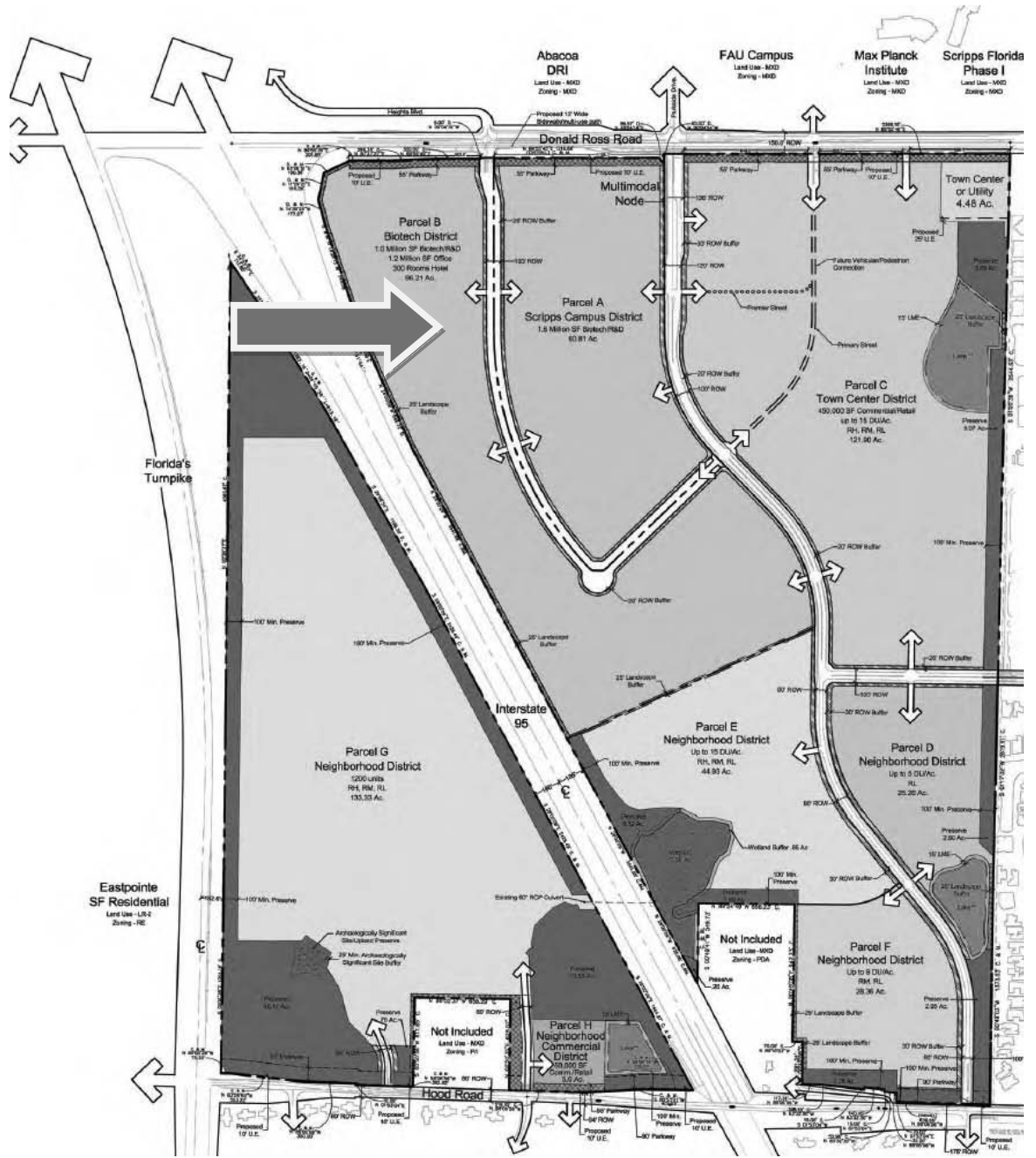
AREA/NEIGHBORHOOD ANALYSIS (CONT'D)

The uses along Donald Ross Road consist of a mix of vacant land, residential development, and neighborhood commercial uses. The Abacoa Plaza contains a 152,670 square foot shopping center and is located on the north side of Donald Ross Road west of Military Trail. The anchor tenant is Publix with other retail tenants including Bank of America, Amoco, and McDonalds.

The Subject site is located just west of the Donald Ross Village an 11-acre mixed use project that was completed in 2007. The retail portion of the development is anchored by a CVS pharmacy, Hilton Hotel, and Gold's Gym. The project contains 196,000+ square feet of retail and restaurant space with the tenants consisting of a mix of national and local businesses. In addition to the retail component, the village includes 156 townhouse units that were developed by Lennar on the adjacent 35 acres.

Conclusion

The Subject neighborhood is in an area, which has experienced very rapid growth in the past ten years. The immediate Subject neighborhood is a desirable business location. Future prospects appear optimistic as the Jupiter/Palm Beach Gardens area, in particular, remains a popular and desirable community.



OVERALL SITE PLAN

SITE DATA

SIZE AND SHAPE

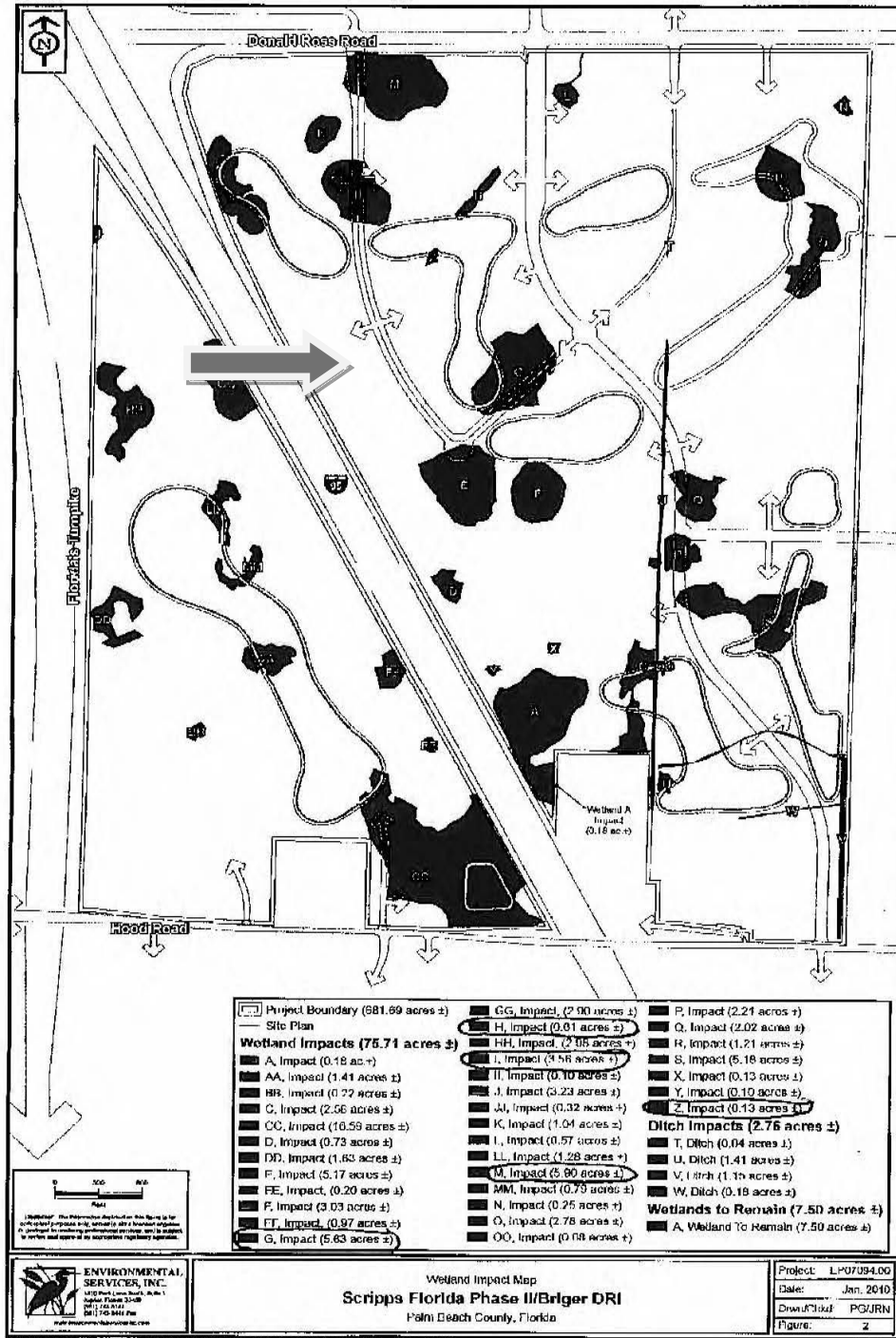
A recent survey showing only the Subject Parcel was not available. The site size of 96.21 acres for the Subject Property was taken from a site plan completed by Urban Design Kilday Studios, Job #88-09-005, dated January 9, 2009. (See Extraordinary Assumptions/Special Limiting Conditions). The Subject site is "L" shaped with approximately 1,100 feet of frontage along the south side of Donald Ross Road and both exposure and frontage along the east side of the Interstate 95.

LOCATION AND ACCESSIBILITY

The Subject Property is located at the southeast corner of Donald Ross Road and Interstate 95 in the City of Palm Beach Gardens. The general area is bounded by Donald Ross Road to the north, I-95 to the west, Hood Road to the south and Central Boulevard to the east. Donald Ross Road is a primary east/west transportation artery that intersects the major north/south arteries of I-95 to the west and Central Boulevard, Military Trail, Alt A1A and U.S. Highway One to the east. The Subject currently does not have an access drive to Donald Ross Road. The provided site plans shows the future extension of Heights Road south of Donald Ross Road which will run along the eastern boundary of the site.

TOPOGRAPHY / SOIL CONDITIONS

The general topography of the Subject Site is considered to be level and at or near road grade. The site is substantially overgrown with trees and native vegetation, primarily pine flat wood areas with some wetland areas. No wetland delineation map was available exclusively for the Subject Property but a map was available in the Permit for the entire Scripps Florida Phase II / Briger DRI. According to this map which has been included on the following page. The Subject Property has some wetland areas totaling 14.25-acres or 15% which were visually estimated from the provided map. The permit for the entire Scripps Florida Phase II / Briger DRI which totals 681.69-acres, indicates that a total of 75.71 acres of wetlands and 2.76 acres of surface waters will be impacted by the proposed project. The permit indicates that to satisfy the mitigation requirements of the SFWMD and Army Corp of Engineers, on-site preservation of 7.50 acres, enhancement of 395 acres at Pine Glades Natural Area and the purchase of 12.23 herbaceous credits at Loxahatchee Mitigation Bank was required. In addition to the above, 60.67 acres of uplands will be preserved. Based on discussions with our client, mitigation for the entire project cost approximately \$2,200,000. As part of the project approval the environment issues including wetlands, preserve areas, and buffers have been satisfied.



WETLANDS MAP

SITE DATA (CONT'D)

ENVIRONMENTAL ISSUES

Due to the size of the site and physical characteristics of the site, we were unable to inspect all areas of the site. Only a limited inspection of the site was possible. In addition, we are not experts nor do we claim to be experts in the field of environmental contamination. Based on our limited inspection of the site, no evidence of contamination was noted.

During our investigation into the history of the Subject, we were not advised of any previous use which would environmentally impact the property. We were supplied with an environmental assessment of the property. There was historical evidence of strip mining. **We have appraised the site assuming no significant contamination exists.**

There were reports indicating that the proposed development would affect the habitat of the Eastern Indigo Snake but the overall affect of the snake population on State and Public lands in Palm Beach County was considered negligible.

PUBLIC UTILITIES

Water and Sewer service is to be provided by the Donald Ross Road improvement project and will be available to the Subject site and is to be provided by Seacoast Utilities. Telephone service is available and will be provided by AT&T or private contractors and electric service will be provided by Florida Power & Light.

SITE DATA (CONT'D)

ZONING / PERMITTING

The zoning and land use categories appear below:

ZONING: PCD” Planned Community Development by the City of Palm Beach Gardens

LAND USE: Mixed Use

The Subject is a 96.21 acre portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The project is zoned “PCD” Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The development is proposed to occur in four, four-year phases with build-out in 2028.

According to the Scripps Florida – Phase II / Briger Tract DRI, the Subject Site is approved for development of 1,000,000 square feet of Biotech / R&D space, 1,200,000 square feet of office space, and a 300 room hotel. Richard Marrero, Senior Planner with the City of Palm Beach Gardens, the developer will need to submit a development application requesting approval of the site plan for the proposed project to the Planning and Zoning Department. Prior to the submittal of any application, the developer will need to meet with the City for a pre-application meeting to review the proposal and at that time, the staff would determine the process (i.e., administrative review or public hearings).

SITE DATA (CONT'D)

CONCURRENCY

In 1985, the Florida Legislature enacted the Local Government Comprehensive Planning and Land Development Regional Act (Chapter 163, Part II, Florida Statutes), commonly referred to as the "Growth Management Act". Pursuant to Section 163.3177 (10) (h), F.S., "it is the intent of the Legislature that public facilities and services needed to support development shall be available concurrent with the impacts of such development." From this statement, the term, the term "concurrency" was derived, and is commonly used to refer to the above legislation and its requirements. The basis of the concurrency concept is Rule 9J-5.0055 of the Florida Administrative Code, which states that: To ensure that facilities and services needed to support development are available concurrent with the impacts of such development, a local government must adopt a concurrency management system. Prior to the issuance of a development order or permit, the system must ensure that the adopted level of service standards required for roads, potable water, sanitary sewer, solid waste, drainage, parks and recreation, and mass transit will be met.

According to Richard Marrero, Senior Planner with the City of Palm Beach Gardens, The phasing of the Scripps Phase II project is based on a proportionate share agreement, which requires payment of monies when a certain number of vehicular trips and building square footage is reached. The total amount of impact fees for the project is estimated to be approximately \$22,000,000 and several partial payments have been paid and some roadway improvements have commenced along Donald Ross Road.

Based on the Proportionate Share Agreement, Palm Beach County has spent approximately \$6,000,000 for Phase I and Phase II Mobility Improvements (Donald Ross Road from I-95 to Heights Boulevard). Palm Beach County is to be reimbursed by developers as building permits are issued.

SITE DATA (CONT'D)

CENSUS TRACT

The Subject Parcel is located in Palm Beach County Census Tract 2.09, as indicated by the Bureau of the Census.

MSA Code: 48424	State Code: 12	County Code: 099	Tract Code: 0002.09
Tract Income Level	Middle	Tract Population	6140
Underserved or Distressed Tract	No	Tract Minority %	20.31
2013 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$64,600	Minority Population	1247
2013 Est. Tract Median Family Income	\$72,830	Owner-Occupied Units	1961
2010 Tract Median Family Income	\$72,656	1- to 4-Family Units	2558
Tract Median Family Income %	112.74		

FLOOD ZONE

The Subject is located in Flood Zone "B", as indicated by Map Panel #120192 0120B, dated October 15, 1979. Typically Flood Zone "B" classification would not require flood insurance.

ASSESSED VALUATION AND TAXES

The Subject Property was assessed as part of the following parcel identification number in 2013. The assessments and taxes for 2013 are as follows:

<u>Tax I.D.:</u>	<u>2013 Appraisal</u>	<u>2013 Assessment</u>	<u>2013 Tax</u>
52-42-41-26-00-000-1010	\$ 47,497,540	\$3,324,828	\$136,849

The 2013 taxes for the Subject Property were paid according to the Palm Beach County Tax Collectors Office. No delinquent taxes associated with the Subject were noted. The assessed value and subsequent taxes appear low based on our value conclusion with a substantial increase in taxes likely.

PROPERTY HISTORY

On February 14, 2006, the Board of Palm Beach County Commissioners voted to locate the Scripps Florida campus in northern Palm Beach County, with an initial phase of 365,000 square feet of bioscience space (known as Scripps Florida Phase I) located on 30 acres within the Abacoa Development of Regional Impact. Simultaneously, the land owner of the adjacent property known as the Briger Tract donated 30 acres to Palm Beach County and sold an additional 40 acres to the County on which to establish the second phase (1.6 million square feet of biotech space) of the Scripps Florida campus (known as Scripps Florida Phase II). The property owner also recorded a deed restriction on 100 acres of their land adjacent to the Scripps Florida campus which restricts that area to biotechnological research and development and ancillary uses. The City of Palm Beach Gardens and the Town of Jupiter also provided \$3 million each to the County to assist in the establishment of the Scripps Florida campus in north Palm Beach County.

As part of the agreement to bring Scripps Florida to the Abacoa and Briger sites, there were two conditions placed on the selection. Namely (i) at least 100 acres total with the potential for 2 million square feet to be provided for Scripps Florida; and (ii), identifying opportunities for up to 6 million square feet of space within five miles of the Scripps Florida campus to accommodate the creation of a bioscience research/biotechnology industry cluster.

The first condition is being addressed through the construction of three Scripps Florida buildings at the Abacoa DRI on 30 acres and, with this application for the Scripps Florida Phase II/Briger Tract DRI, making available an additional 70 acres. The second condition has been addressed through an interlocal agreement between the municipalities of Palm Beach Gardens, Jupiter, Lake Park and Riviera Beach, Mangonia Park and unincorporated Palm Beach County. This coalition of governmental bodies has identified 11.6 million square feet of building area within five miles and 47.5 million square feet of available building area for the bioscience cluster within 10 miles of the Scripps Florida campus.

The Subject is a portion of the Scripps Florida Phase II Briger Tract project consisting of 681.69-acres that has been approved for a mixed use development that will be developed around the 60-acre Scripps Campus. The project is split into two parcels with the east parcel being approved for 2,600,000 square feet of Biotech / R&D space, 1,200,000 square feet of office space, a 300 room hotel, 450,000 square feet of retail space, 350 apartment units, 800 multi-family units, and 450 single family units. The west parcel is primarily residential with 50,000 square feet of retail space, 350 apartment units, 600 multi-family units, and 250 single family units. Based on the provided site plan the development will include 83.26-acre of upland preserves, 47.67-acres of lake, wetlands, and preserves, and 30.48-acres of road right of ways. The project will be developed in phases with the infrastructure contracts currently out for bid and an estimated completion date of May 1, 2015 for the infrastructure.

PROPERTY HISTORY (CONT'D)

According to the provided site plan the Subject Property consists of Parcel B a 96.21 acre portion of the 681.69-acre Briger Tract. A review of the Subject parcel's sales history over the last five years revealed one recorded sale with multiple deeds. The Subject parcel was part of a larger 606.70-acre tract known as the Briger / Alton tract that sold December 23, 2013 for \$127,500,000 or \$21,015 per acre. The buyer was the Kolter Group with the total purchase being recorded by five individual deeds under five separate entities. The deeds for the sale are located in the addenda of this report. The balance of the Briger Tract consists of the 70-acre Scripps Campus and a 5-acre utility parcel owned by FPL both of which had been previously transferred. The buyer has paid \$1,200,000 for site planning, \$800,000 for wetland mitigation, \$1,825,000 for mineral rights, and \$136,848 for the 2013 real estate taxes for the parent tract. The portion of these expenses allocated to the Subject (96.21-acre Parcel B) was not provided.

PART IV – ANALYSIS OF DATA AND CONCLUSIONS HIGHEST AND BEST USE

Highest and Best Use is defined by The Appraisal Institute in the publication Real Estate Appraisal Terminology as follows (abbreviated):

Highest and Best Use: *That reasonable and probable use that will support the present value as of the effective date of the appraisal. Alternatively, that use, from among the reasonable, probable, and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.*

A proper analysis of the Highest and Best Use of a site is to examine each segment of the definition.

AS VACANT

Reasonable, Probable, and Legally Permissible

The Subject is a 96.21 acre portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The project is zoned “PCD” Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The development is proposed to occur in four, four-year phases with build-out in 2028.

The Subject (Parcel B) is located just south of the Abacoa area, as well as the FAU northern campus, Scripps Phase I and Max Planck Society research institute and is approved for development of 1,000,000 square feet of biotech/R&D research space, 1,200,000 square feet of office space, and a 300 room hotel which, given the current approvals, is reasonable, probable and legally permissible.

Physically Possible

The Subject (Parcel B) is an “L” shaped parcel, totaling 96.21+/- acres. The size and shape of the parcels would not hinder development. The Subject Property has good frontage along the south side of Donald Ross Road and excellent exposure along the east side of Interstate 95 as well as the Donald Ross exit ramp from north bound Interstate 95. The site has adequate depth and width for development. The environmental issues such as wetland mitigation have been addressed in the approvals with on-site wetland preservation and offsite mitigation.

HIGHEST AND BEST USE (CONT'D)

Appropriately supported

The final segment of the Highest and Best Use definition calls for the use to be appropriately supported and financially feasible. The size and location of the Subject site and development trends in the market indicate a mixed use residential/commercial project to be the most likely use as vacant. The following are large projects within the Palm Beach Gardens / Jupiter market that provide support for development similar to the Subject. A 32-acre+/- parcel with approvals for approximately 350,000 square feet of High Tech and Employment Center space located along the north side of Indiantown Road and Interstate 95 is currently under contract. The buyer is negotiating with the Town of Jupiter regarding the approvals. Florida Power and Light purchased a 74.10-acre site that had approvals in place for 882,000 square feet of light industrial, office, and supporting commercial in June 2011. An 18+/- acre tract located along Central Boulevard just south of Hood Road has concurrency approvals for up to 300,000 square feet of retail and professional office use. The developer believes the demand for additional development within this area will continue as the influence of the biotech companies grows. The surrounding residential bases within the Palm Beach Gardens / Jupiter markets are substantial and considered affluent. The existing Scripps Campus and Max Planck Research development that have been developed within the last ten years lend further support that the Subject development would be considered appropriately supported.

Financially Feasible

The last and perhaps the most important segments of the highest and best use definition is that the use must be both appropriately supported and financially feasible. Based on the poor overall economic conditions and current trends in the area (very limited new development), holding for future mixed use development would be the most reasonable option unless the site is developed for owner/user use. These type facilities are not developed for the income potential or resale potential of the real estate but instead for the utility of the building for the owner's business. However, given the size of the Subject Site, there would be few potential users for this size site but the site could be subdivided into smaller sites which could accommodate more potential users.

Conclusion As Vacant

Based on the data analyzed, development of the Subject Property with up to 1,000,000 square feet of biotech/R&D space, 1,200,000 square feet of office space, and a 300 room hotel is a legal, permitted and viable option. The highest and best use for the Subject Parcel is considered to be holding for future development or for potential specific special purpose user.

VALUATION METHODS

In determining the market value of the Subject Property, one of the three standard approaches to value - the Sales Comparison Approach - was considered applicable. This approach is defined as follows:

SALES COMPARISON APPROACH - Traditionally, an appraisal procedure in which market value is predicated upon prices paid in actual market transactions. Current listings are also analyzed to help establish market trends. Recent sales fix the lower limit of value in a static or advancing market (price wise), and listings fix the upper limit of value in a declining market. Listings typically fix the upper limit of value in any market.

The Sales Comparison Approach is a process of analyzing recent sales to derive an indication of the value of the property being appraised. The reliability of this technique is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data, (c) the degree of comparability or extent of adjustment necessary for time differences, and (d) the absence of non-typical conditions affecting the sale price.

(FROM: Real Estate Appraisal Terminology, The Appraisal Institute)

SALES COMPARISON APPROACH TO VALUE

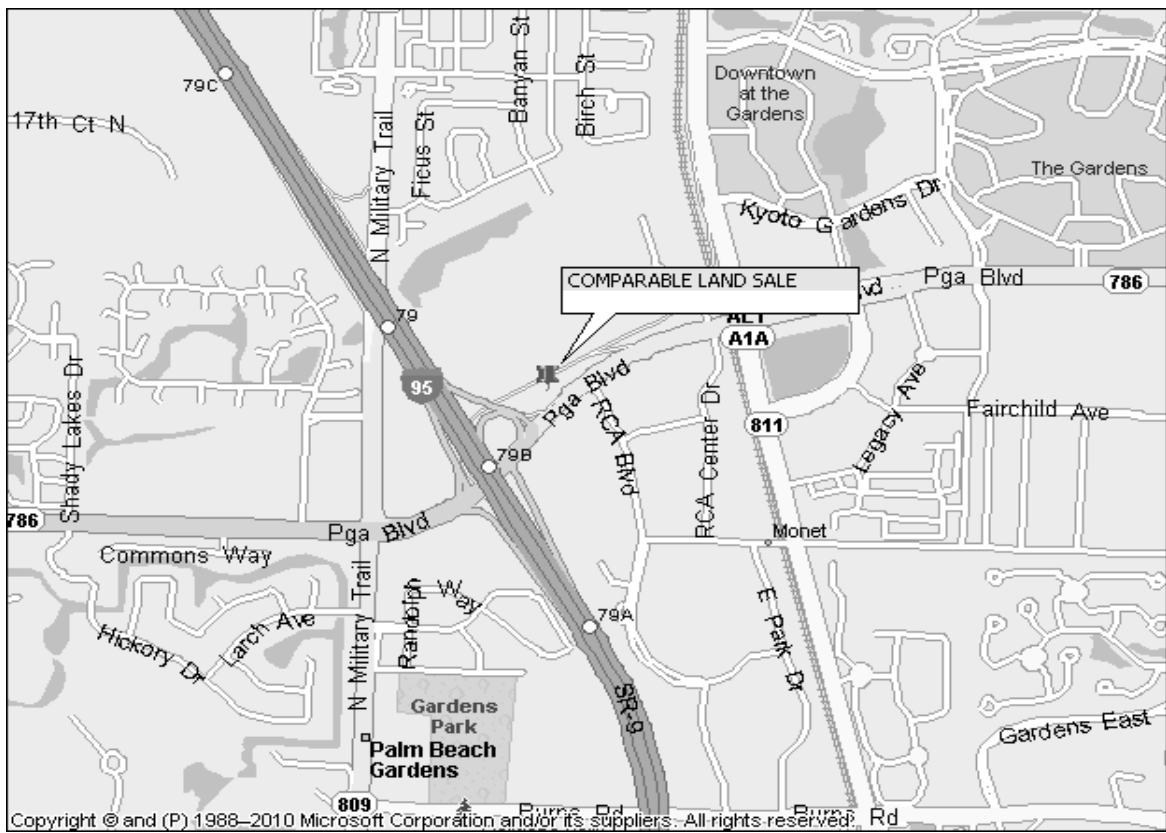
To estimate the market value of the Subject Property via the Sales Comparison Approach, a search was conducted to locate and analyze sales data and compare it to the Subject via appropriate units of comparison.

The Sales Comparison Approach is based on the principle of substitution, which states that a prudent buyer would pay no more for a property than the cost of acquiring a substitute property on the open market. Substitution may assume purchase of an existing property, with equal utility, or of acquiring an investment, which will produce an income stream of similar size with similar risk, as the Subject Property.

An analysis of the market is made to ascertain a reliable unit of comparison to the Subject Property. The Subject site is a larger tract of vacant land and will be analyzed on a price per square foot of site area or a price per square foot of proposed or approved building area. Both are commonly used units of comparison for larger commercial or industrial sites.

If possible, adjustments are made to the sales to account for physical or economic differences as compared to the Subject Property. An adjusted sale price is derived from each comparable sale analyzed. These are then weighted according to their relative comparability and applied to the Subject Property to indicate a value. If only limited data is available, the analysis will be made on a qualitative basis. The relevant differences between the Subject and the Comparable Sales will be discussed and considering these differences, a value conclusion for the Subject Property will be made.

A search of the Palm Beach County Public Records, local sales publications, and discussions with other brokers and appraisers familiar with the Subject area produced the following information for analysis.



COMPARABLE LAND SALE #1

VACANT LAND SALES

REFERENCE NO.: Sale 1

PROPERTY TYPE: Vacant Land

Location: Located at the northwest corner of PGA Boulevard and Alternate A1A, Palm Beach Gardens, Palm Beach County, Florida.

Legal Description: Folio #52-42-42-01-24-000-0010, 0020, 0030, 0040, 0050, 0060, 0080, 0090, 0100, 0110, 0120, 0130, 0140, 0150, 0160, 0170, 015-000, 016-0000 and 023-0000; A lengthy legal of twenty parcels of land in Section 1, of Township 42 South, Range 42 East, as recorded in the Public Records of Palm Beach County, Florida.

Grantor: BR West, LLC

Grantee: Florida Power and Light Company

Size: 74.1 acres (Gross) – 50.8 acres (Usable)

Zoning: “PCD/M-1”, Planned Community Development / Research / Light Industrial Development Area, by Palm Beach Gardens and located within the Bioscience Research Protection Overlay which was designed to help expedite the approval process for proposed developments involving bioscience research.

Land Use: Industrial

Property Description: This sale consisted of 19 separately platted parcels within the proposed 20 lot, PGA North Corporate Center. Three of the parcels totaling 23.30-acres are located along the north side of Kyoto Gardens Drive and serve as drainage and preserve area for the project resulting in 50.80 acres of buildable land. Of the 16 remaining lots 14 lots are located on the south side of Kyoto Gardens Drive and 2 of the lots are located on the east side of RCA Center Drive.

Present Use: Vacant land

Highest and Best Use: Holding for future development

Utilities: Water and sewer extended to site; electricity and telephone are available

Vacant Land Sale #1 (Cont'd)

Concurrency: Approved for development of 882,000 SF at time of sale.

Comments: Prior to this sale, the former owner had entitlements in place for the construction of 882,000 SF of building area consisting of 240,000 SF of office space, 600,000 SF of light industrial space and 42,000 SF of commercial space and had completed the extension of Kyoto Gardens Drive and RCA Center Drive, as well as off-site drainage, extension of water and sewer lines to the site, and initial clearing of the interior roads.

The buyer, FP&L, purchased this bank owned site and has obtained preliminary approvals from the City of Palm Beach Gardens to develop the property with 993,000 square feet of office/research development space.

Sale Price: \$24,000,000

Date: June 28, 2011

Recording: O.R. Book 24604 / Page 0188

Financing / Terms: Cash to seller

Conditions: Arm's Length

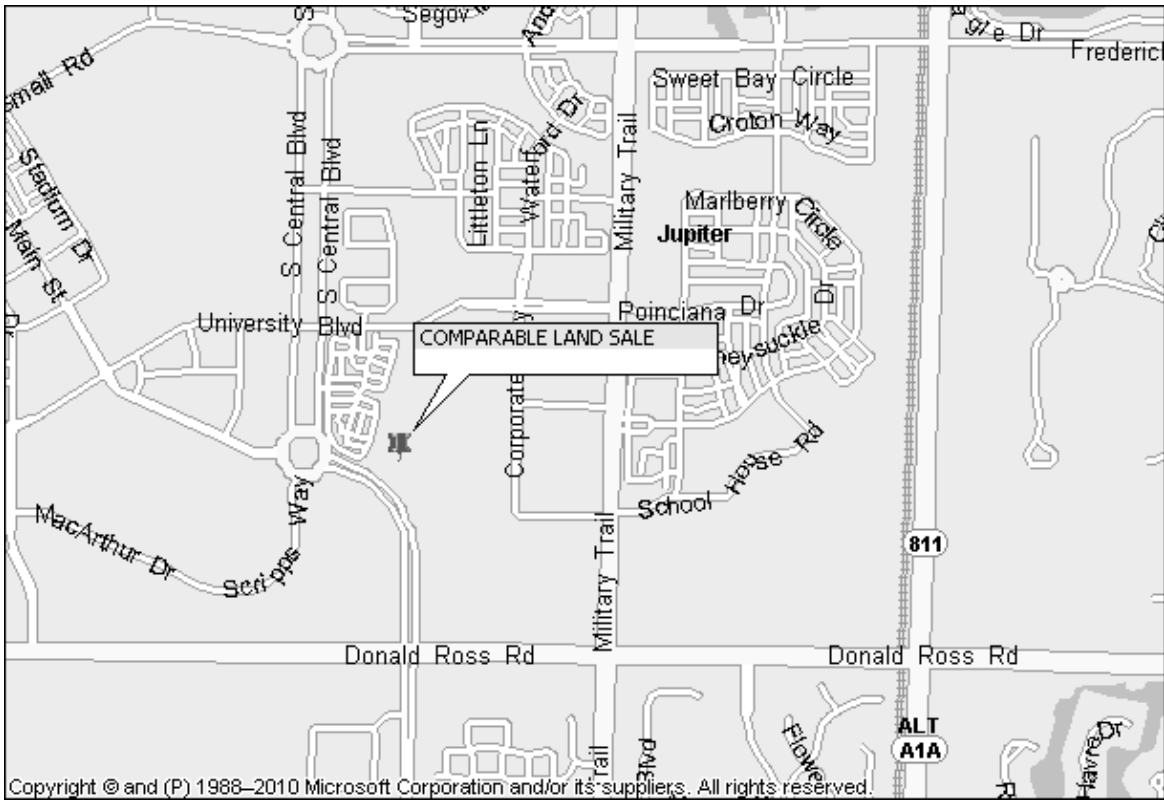
Units of Comparison:

Price per acre: \$323,887 (Gross), \$472,441 (Usable)

Price per SF: \$7.44 (Gross), \$10.85 (Usable)

Price/SF of Building Area: \$27.21 – (\$24.17 at sale)

Verification: Samantha J. Saucier, Area Real Estate Manager, FP&L
561-691-2157, August 9, 2012



COMPARABLE LAND SALE #2

VACANT LAND SALES

APPRAISER'S REFERENCE NO.: Sale 2

PROPERTY TYPE: Vacant Land

Location: Located on the northeast side of Central Boulevard approximately 1,300 feet north of Donald Ross Road in the Abacoa area of Jupiter, Palm Beach County, Florida.

Legal Description: Folio #'s 30-42-41-24-30-004-0000, 001-0000 and 003-0000; PARCELS A, C and D of ABACOA REPLAT OF TRACT WK4A, according to the plat thereof recorded in Plat Book 112, Page 16, of the Public Records of Palm Beach County, Florida.

Grantor: WORKPLACE FLORIDA, LTD. A Florida limited partnership

Grantee: JUPITER HRE INVESTMENTS, LLC., a Florida limited liability company

Size: 9.3456 acres

Zoning: "CD", Commercial Workplace, by Jupiter

Land Use: Commercial

Property Description: The property consists of three irregular shaped parcels of land totaling 9.3456 acres. The site has approximately 200 feet of frontage on the east side of Central Boulevard. The site appears to be approximately at road grade and is overgrown with trees and native vegetation.

Present Use: Vacant land in native state

Highest and Best Use: Holding for future development

Utilities: Water, sewer; electricity and telephone are available

Concurrency: Preliminary site approvals for 192,028 SF of R&D space

Vacant Land Sale #2 (Cont'd)

Comments: The site is a portion of a larger site designated as "Work Place Florida" and was purchased for development with a 100 bed, 56,426 SF assisted living facility, a 99 bed, 44,690 SF nursing home, 5,200 SF of research-development and 17,600 SF of medical office space for a gross building area of 123,916 SF. According to the Staff Report for the Town of Jupiter, this was equivalent to 192,028 SF of R&D space which is the basis for the original approvals.

Sale Price: \$7,707,677

Date: December 17, 2010

Recording: Book 24298/ Page 0698

Financing / Terms: Cash to seller

Conditions: Arm's Length

Units of Comparison:

Price per acre: \$824,739

Price per SF: \$18.93

Price/SF of Building Area: \$40.14

Verification: P&E File #11-114 and 12-174



COMPARABLE LAND SALE #3

VACANT LAND SALES

REFERENCE NO.:	Sale 3
PROPERTY TYPE:	Vacant Land
<u>Location:</u>	Located at 1801 Palm Beach Lakes Boulevard, on the northeast corner of Palm Beach Lakes Boulevard and Interstate 95 in West Palm Beach, Palm Beach County, Florida.
<u>Legal Description:</u>	Folio #'s 74-43-43-17-37-001-0000 & 74-43-43-17-37-002-0000; Palm Beach Outlets Replat 1, Tract 1 & Tract 2, according to the Public Records of Palm Beach County, Florida. See the addenda for the full legal descriptions contained in the Warranty Deeds.
<u>Grantors:</u>	PB Mall LLC, Macy's Florida Stores, and Dillard's, Inc.
<u>Grantee:</u>	Palm Beach Mall Holdings, LLC
<u>Size:</u>	86.16 acres - usable
<u>Zoning:</u>	"CPD", Commercial Planned Development by the City of West Palm Beach
<u>Land Use:</u>	Commercial by West Palm Beach Gardens
<u>Property Description:</u>	The property consisted of multiple parcels that were part of the Palm Beach Mall development. The irregular shaped site totals 86.12 acres and was improved with 1,400,000 +/- square feet of retail space. The site has approximately 900 feet of frontage along the west side of Congress Avenue, 2,400 feet of frontage along the north side of Palm Beach Lake Boulevard, and 2,500 feet of frontage or exposure along Interstate 95. At the time of purchase, the site was fully improved.
<u>Present Use:</u>	Retail development
<u>Highest and Best Use:</u>	Redevelopment with a large scale commercial use.
<u>Utilities:</u>	Water, sewer, electricity and telephone are available
<u>Concurrency:</u>	Zoning approvals for 1,400,000 SF of retail development

Vacant Land Sale #3 (Cont'd)

Comments: The buyer purchased the mall property out of receivership. The site had been marketed for several years prior to the sale with a variety of uses being proposed for the site. The sale included the mall property as well as the assemblage of the out parcels owned by Dillard's, Inc. and Macy's Florida Stores, LLC. The sales price totaled \$35,500,000 for all three parcels. The buyer has demolished the existing improvements and is developing the Palm Beach Outlet Mall on the site. The buyer completed an amendment and master plan after the sale that was approved by the City of West Palm Beach for development of 1,400,000 square feet of retail space. The improvements will include retail outlet space, in-line retail, big box retail, and out parcel space. Phase I of the project was completed in February 2014.

Sale Prices: **\$35,500,000 - Total**
 \$25,000,000 PB Mall
 \$5,000,000 Macy's parcel / \$5,500,000 Dillard's parcel

Date: October 21, 2011

Recording: O.R. Book 24808 / Pages 1316, 1348, & 1365

Financing / Terms: Cash to seller

Conditions: Arm's Length

Units of Comparison:

Price per Gross acre:	\$412,024
Price per SF Gross:	\$9.46
Price/SF of Approved Building Area:	\$25.36

Verification: Public Records information &
 Bruce Loring, Esq., Closing Attorney
 312-715-5855
 May 2014



COMPARABLE LAND SALE #4

VACANT LAND SALES

REFERENCE NO.: Sale 4

PROPERTY TYPE: Vacant Land

Location: Located at 3200 S. State Road 7, on the east side of S. State Road 7, approximately ¼ mile south of Stribling Way in the Village of Wellington, Palm Beach County, Florida.

Legal Description: Folio #73-42-43-27-05-025-0070; PALM BEACH FARMS CO PLAT NO 3 TR 7 BLK according to the Plat thereof, recorded in Plat Book 2, Page 45 to 54 of the Public Records of Palm Beach County, Florida.

Grantor: SR7, Inc.

Grantee: Charter PB Wellington, LLC

Size: 8.82 acres (Usable)

Zoning: "CC", Community Commercial by Village of Wellington

Land Use: Community Commercial

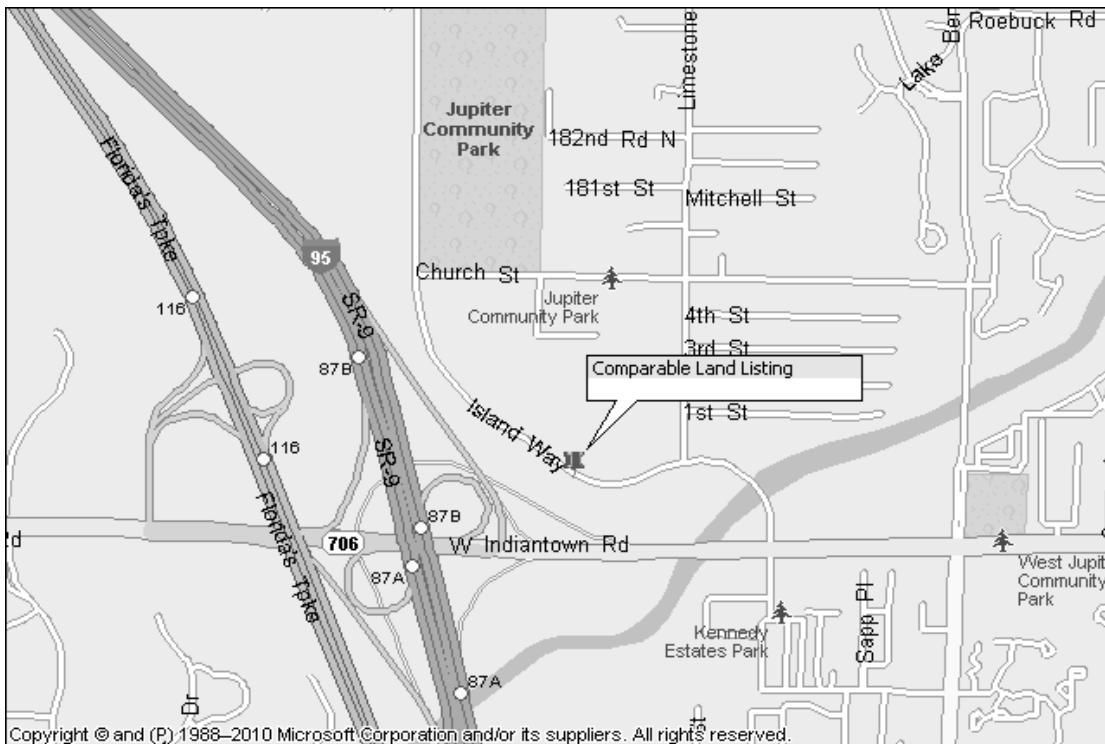
Property Description: A rectangular shaped parcel with approximately 650' of frontage on the east side of South State Road 7. The site was partially cleared and being utilized for heavy equipment storage. Access to the site is only available from a frontage road that runs parallel with State Road 7 due to a canal located along the western boundary of the site.

Present Use: Vacant land

Highest and Best Use: Holding for future commercial development

Vacant Land Sale #4 (Cont'd)

<u>Utilities:</u>	Water, sewer, electricity and telephone are available
<u>Concurrency:</u>	Approved for a 75,000 SF charter school and a 15,000 SF daycare.
<u>Comments:</u>	The site was purchased for the development of a 75,000 SF charter school and a 15,000 SF daycare facility. Upon completion the improvements will be leased to a charter school and daycare operator. Improvements are partially constructed as of the 2 nd quarter of 2014.
<u>Sale Price:</u>	\$2,600,000
<u>Date:</u>	December 28, 2012
<u>Recording:</u>	25682/180
<u>Financing / Terms:</u>	Cash to seller
<u>Conditions:</u>	Arm's Length
<u>Units of Comparison:</u>	
Price per acre:	\$294,785
Price per SF:	\$6.77
Price/SF of Building Area:	\$28.89
<u>Verification:</u>	P&E File #13-143



COMPARABLE #5 (LISTING / CONTRACT)

VACANT LAND SALES

REFERENCE NO.:	Sale 5 (Listing plus Confidential Contract)
PROPERTY TYPE:	Vacant Land
<u>Location:</u>	Located at the northeast quadrant of the intersection of Indiantown Road and Interstate 95 in Jupiter, Palm Beach County, Florida.
<u>Legal Description:</u>	Folio #30-42-41-04-00-000-1160; A lengthy legal of a parcel of land in Section 33, of Township 43 South, Range 42 East, as recorded in the Public Records of Palm Beach County, Florida.
<u>Grantor:</u>	N/A - Listing
<u>Grantee:</u>	N/A - Listing
<u>Size:</u>	51.869 acres
<u>Zoning:</u>	"I-2", Industrial, by the Town of Jupiter
<u>Land Use:</u>	"MXD" Mixed Use by the Town of Jupiter
<u>Property Description:</u>	The parcel is irregular shaped with substantial frontage on both Indiantown Road and the northbound on-ramp to Interstate 95 (no access to either). The site is accessed by Island Way which bisects the property and connects to Indiantown Road approximately 900 feet east of the site. The site is raw land that is overgrown with trees and native vegetation.
<u>Present Use:</u>	Vacant land
<u>Highest and Best Use:</u>	Hold for future mixed use development
<u>Utilities:</u>	Water, sewer, electricity and telephone are available
<u>Concurrency:</u>	Approved for 350,000 SF of development

Vacant Land Sale (Listing) #5 (Cont'd)

Comments:

This is a listing for sale of a vacant site approved for a mixed use development of up to 350,000 SF. According to the listing broker, the property has been listed for sale for approximately four years at \$26,000,000 **and 32.5 acres of the site, on the north side of Island Way, is currently under contract.** The actual amount of the contract is confidential but near the original \$500,000 per acre asking price for the entire property which equates to approximately \$16,250,000 for the ± 32.5 acre site.

The listing broker indicated that the property generated a considerable amount of interest but at an allowable building area of 350,000 square feet for the entire site, the price per allowable building area is \$74.29/SF and considered excessive. The prospective buyers were making offers in the \$25 to \$35/SF of building area (roughly \$9,000,000 to \$12,000,000).

The prospective buyer of the 32.5 acres located on the north side of Island Way intends is negotiating with the Town of Jupiter for site approvals to develop the site with mixed office and industrial development based on the current approvals for 350,000 square feet of building area.

Listed Price:

\$26,000,000

Date:

Current Contract (Confidential)

Recording:

N/A

Financing / Terms:

N/A

Conditions:

N/A

Units of Comparison:

As Listed

Per Contract

Size (Acres):

51.86

± 32.5

Price per acre:

\$501,345

± \$500,000

Price per SF:

\$11.51

± \$11.48

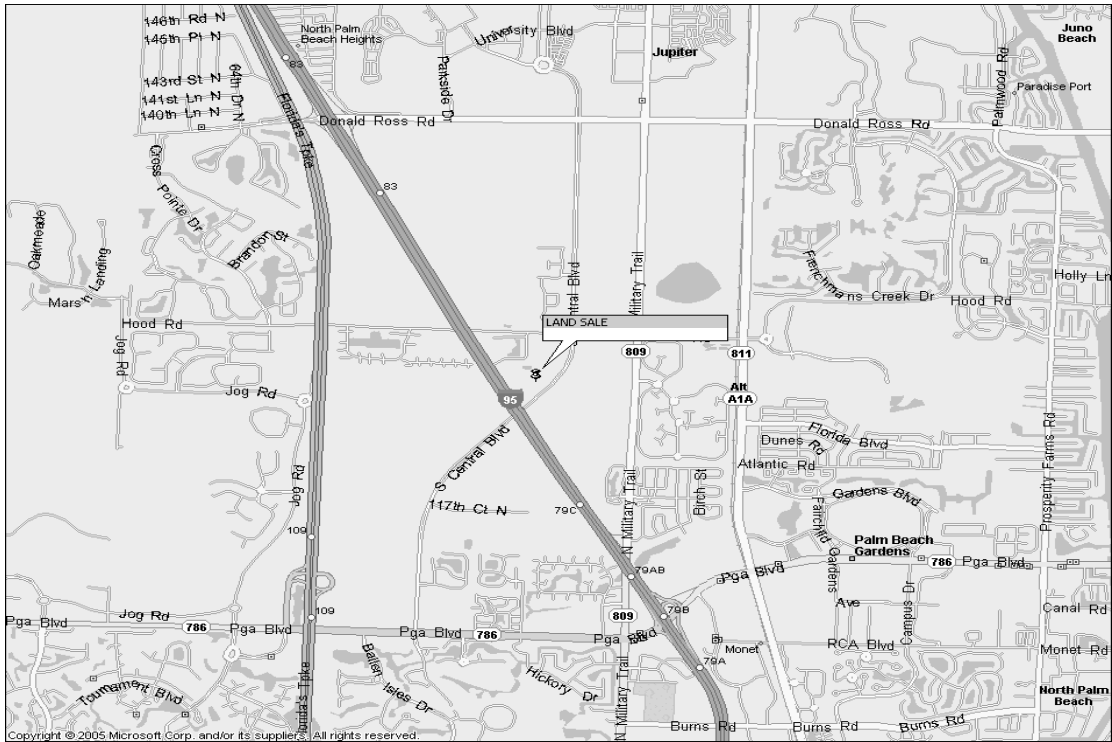
Price/SF of Building Area:

\$74.29

± \$46.43

Verification:

Christopher Thomson, Listing Broker
561-227-2019
May 12, 2014



COMPARABLE #6 (LISTING)

VACANT LAND SALES

REFERENCE NO.:	Sale 6 (Listing)
PROPERTY TYPE:	Vacant Land
<u>Location:</u>	Located on the west side of Central Boulevard approximately 650 feet south of Hood Road, Palm Beach Gardens, Palm Beach County, Florida.
<u>Legal Description:</u>	Folio #'s 52-42-41-35-13-002-0000, 53-42-41-35-13-016-0020, 52-42-41-35-13-012-0020, 52-42-41-35-13-012-0050; Multiple legal descriptions including Central Gardens Tract B as recorded in the Public Records of Palm Beach County, Florida. A copy of the deeds are located within the addenda of this report.
<u>Grantor:</u>	N/A - Listing
<u>Grantee:</u>	N/A - Listing
<u>Size:</u>	18.14 acres (Total) / 13.66 acres (Effective)
<u>Zoning:</u>	"MXD", Mixed by Palm Beach Gardens
<u>Land Use:</u>	"Commercial" Mixed Use by Palm Beach Gardens
<u>Property Description:</u>	The parcel is irregular shaped with 1,500 feet of frontage on along the west side of Central Boulevard. The site exists in its natural state and is overgrown with trees and native vegetation. Access is available from Central Boulevard.
<u>Present Use:</u>	Vacant land
<u>Highest and Best Use:</u>	Hold for future mixed use development
<u>Utilities:</u>	Water, sewer, electricity and telephone are available
<u>Concurrency:</u>	Approved for 300,000 SF of development

Vacant Land Sale (Listing) #6 (Cont'd)

Comments: This is a listing for sale of a vacant site approved for a mixed use retail/office development of up to 300,000 SF. The property is not being actively marketed with the owner choosing to hold the property while market conditions improve. The Scripps biotech hub and associated development will heavily influence the surrounding development including this property. The shown listing price was provided by the owner and is based on the future potential of the property. If the property was fully developed, a parking garage would be needed to satisfy parking requirements

Listed Price: \$17,000,000

Date: Current Listing

Recording: N/A

Financing / Terms: N/A

Conditions: N/A

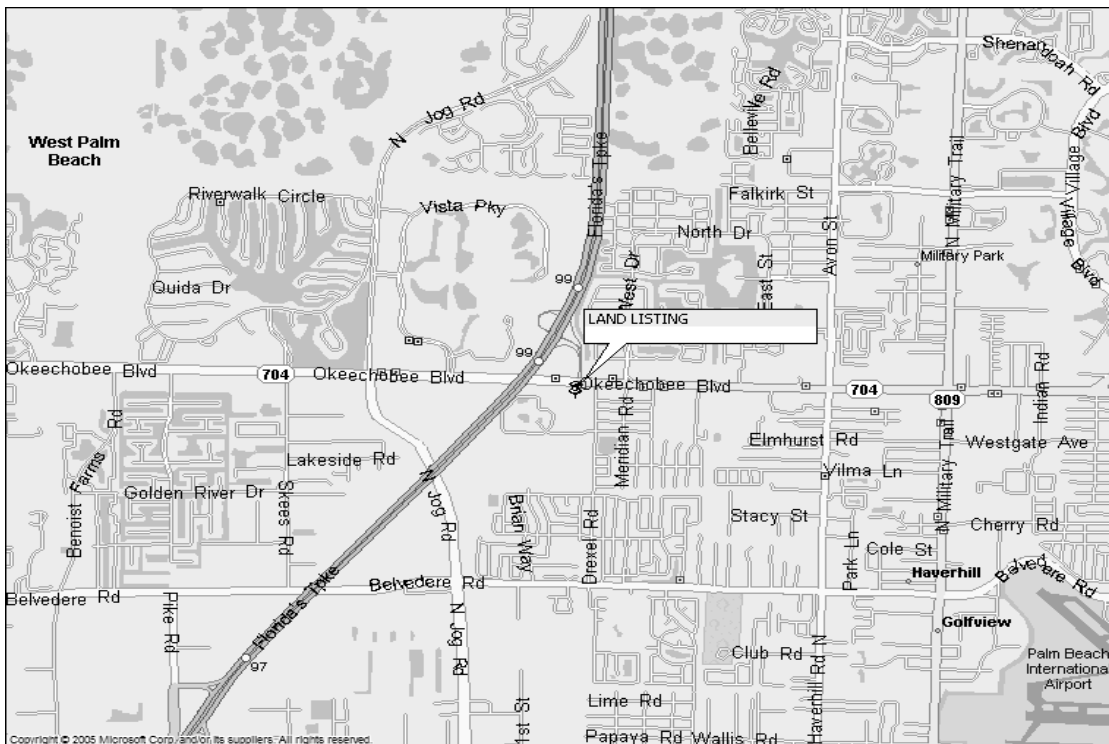
Units of Comparison:

Price per acre: \$937,158

Price per SF: \$21.51

Price/SF of Building Area: \$56.67

Verification: Ronnie Pertnoy, Owner
561-248-8315
May 13, 2014



COMPARABLE #7 (LISTING)

VACANT LAND SALES

REFERENCE NO.:	Sale 7 (Listing)
PROPERTY TYPE:	Vacant Land
<u>Location:</u>	Located on the south side of Okeechobee Boulevard across from the Florida Turnpike interchange at 6166 Okeechobee Boulevard, West Palm Beach, Palm Beach County, Florida.
<u>Legal Description:</u>	Folio # 00-42-43-27-00-000-1060; 27-43-42, TH PT OF N 1/2 OF NE1/4 LYG S OF OKEECHOBEE RD BEING SLY 510 FT OF NLY 590 FT OF WLY 620.38 FT OF ELY 1260.38 FT as recorded in the Public Records of Palm Beach County, Florida. A copy of the deed is located within the addenda of this report.
<u>Grantor:</u>	N/A - Listing
<u>Grantee:</u>	N/A - Listing
<u>Size:</u>	7.21 acres (Total)
<u>Zoning:</u>	"MUPD", Mixed Use Planned Development, by West Palm Beach
<u>Land Use:</u>	"Commercial" West Palm Beach
<u>Property Description:</u>	The parcel is rectangular in shape with approximately 620 feet of frontage on the south side of Okeechobee Boulevard. The site is mostly level and partially cleared with some native vegetation. Access is available from Okeechobee Boulevard.
<u>Present Use:</u>	Vacant land
<u>Highest and Best Use:</u>	Hold for future mixed use development
<u>Utilities:</u>	Water, sewer, electricity and telephone are available
<u>Concurrency:</u>	Approved for 157,360 SF of development

Vacant Land Sale (Listing) #7 (Cont'd)

Comments: This is a listing for sale of a vacant site approved for development of two hotels containing a total of 236 hotel rooms and a buildable square footage of 157,360 square feet. One of the hotels has been approved as an extended stay facility. The property has been on the market for approximately one year.

Listed Price: \$5,500,000

Date: Current Listing

Recording: N/A

Financing / Terms: N/A

Conditions: N/A

Units of Comparison:

Price per acre: \$762,829

Price per SF: \$17.51

Price/SF of Building Area: \$34.95

Verification: Paul Snitkin, Broker
561-833-1661
May 2014

SALES COMPARISON ANALYSIS

VACANT LAND SALES SUMMARY CHART

SALE	DATE	BOOK/ PAGE	LOCATION	SALES PRICE	SIZE / SF SIZE / AC	SALE PRICE/ PER SF PER ACRE	PRICE/SF BUILDING AREA	ZONING/LAND USE	COMMENTS
1	Jun-11	24604/0188 11-010	Located along Kyoto Gardens Drive and RCA Center Drive between Military Trail and Alternate A1A, Palm Beach Gardens	\$24,000,000	2,212,848 50.80 Usable 3,227,796 74.10 Total	\$10.85 \$472,441	\$27.21 (at sale) \$24.17 (current)	PCD/M1 Planned Community Dev. Research / Light Industrial Industrial Palm Beach Gardens	This is 19 separately platted parcels within the proposed 20 lot, PGA North Corporate Center. Three of the parcels totaling 23.30-acres are located along the north side of Kyoto Gardens Drive and serve as drainage and preserve area for the project resulting in 50.80 acres of buildable land. Of the 16 remaining lots 14 lots are located on the south side of Kyoto Gardens Drive and 2 of the lots are located on the east side of RCA Center Drive. At the time of sale, the site had entitlements in place for the construction of a total of 882,000 SF of building area consisting of 240,000 square feet of office space, 600,000 square feet of light industrial space and 42,000 square feet of ancillary commercial use. The seller indicated no infrastructure was in place except for a Seacoast utility pipe thru the middle of the site but the individual lots are not connected. Also a lift station was put in between the preserve and water management tract on the north side of Kyoto Gardens Drive however, it is not connected to the property. The buyer has increased the entitlements to 993,000 square feet of building area.
2	Dec-10	24298/0698 11-114	XXXX Central Boulevard, on the east side of Central Boulevard, approximately 1,300 feet north of Donald Ross Road, Abacoa area of Jupiter.	\$7,707,677	407,094 9.35	\$18.93 \$824,739	\$40.14	CD Commercial Workplace Commercial MXD Jupiter	An assemblage of 3 irregular shaped parcels with approximately 200 feet of frontage on the east side of Central Boulevard. The site appears to be approximately road grade and is overgrown with trees and native vegetation. The site is a portion of a larger site designated as "Work Place Florida" and was purchased for development of a bed, 56,426 SF assisted living facility, a 99 bed, 44,690 SF nursing home, 5,200 SF of research-development and 17,600 SF of medical office space for a total development of 123,916 SF, which according to a Staff Report from the Town of Jupiter was equivalent to 192,028 SF of R&D space.
3	Oct-11	24808/1365 24808/1316 24808/1348 14-089	On the northeast corner of Palm Beach Lake Boulevard and Interstate 95, West Palm Beach	\$35,500,000 (Effective)	3,753,130 86.16	\$9.46 \$412,024	\$25.36	CPD Commercial Planned Dev Commercial West Palm Beach	An irregular shaped parcel with approximately 2,200' of frontage along the north side of Palm Beach Lake Boulevard, 1,400' of frontage along the west side of Congress Avenue, and 2,500' of exposure along the east side of I-95. The site was improved with the Palm Beach Mall at the time of purchase as well as improved outparcels owned by Dillard's and Macys. The sale price reflects the total cost for the purchase of all three properties. The site was approved for the development of 1,400,000 SF of building area to be known as the Palm Beach Outlet Mall with Phase 1 opening in 1st quarter 2014. The Palm Beach Mall sold out of bankruptcy but had been marketed for an extended period prior to sale.
4	Dec-12	25682/180 13-143	The west side of S. State Road 7, approximately 1/4 mile south of Stribling Way, Wellington	\$2,600,000	384,199 8.82 Usable	\$6.77 \$294,785	\$28.89	CC Community Commercial Community Commercial Wellington	A rectangular shaped site located on the east side of S. State Road 7 with approximately 650' of frontage. The site is partially cleared and was being utilized for heavy equipment and materials storage. The site was approved for the development of a 75,000 square foot charter school and a 15,000 square foot daycare facility. Access to the site is currently available from a frontage road that runs parallel with State Road 7 and intersects with Palomino Drive to the south.
5	May-14	Listing Contract (5-14) 14-088	Located at the northeast corner of Indiantown Road and Interstate 95, Jupiter Located on the north side of Island Way at the northeast corner of Indiantown Road and Interstate I-95, Jupiter	\$26,000,000 (Listing) \$16,250,000 (Contract)	2,259,045 51.86 1,415,700 32.50	\$11.51 \$501,345 \$11.48 \$500,000	\$74.29 (350,000 SF) \$46.43 (350,000 SF)	"1-2" Industrial Land Use, MXD Mixed Use Jupiter	This site consists of an irregular shaped parcel that is bisected by Island Way. The site has approximately 2,500 feet of frontage along the northbound access to I-95. This site has concurrency approval for development with 350,000 SF of High Technology and Employment Center space. The site has been on the market for approximately 4 years and has had offers ranging from \$25 to \$35 per SF of buildable area. The current contract is for the ± 32.5 acre portion of the site on the north side of Island Way. The site appears to be mostly level with road grades and is overgrown with trees and native vegetation.
6	May-14	Listing 14-089	Located on the west side of Central Boulevard just south of Hood Road, Palm Beach Gardens	\$17,000,000 (Listing)	790,176 18.14 (Total) 595,030 13.66 (Effective)	\$21.51 \$937,158	\$56.67	MXD Mixed Commercial Palm Beach Gardens	This site consists of an irregular shaped parcel that has approximately 1,500' of frontage along the west side of Central Boulevard. The site has concurrency approvals for up to 300,000 SF of retail and professional office use. Due to parking requirements a parking garage would have to be built if the site was developed to its maximum density. The developer is not actively marketing the project at this time choosing to hold the property while market conditions improve. The development of the Briger Tract to the north will influence the surrounding communities as well as this parcel. Property currently exists in its natural state. The effective site size is based on the current approvals.
7	May-14	Listing 14-089	South side of Okeechobee Boulevard across from the Florida Turnpike access ramp, West Palm Beach.	\$5,500,000	314,068 7.21 Usable	\$17.51 \$762,829	\$34.95	MUPD Mixed Use Planned Dev Commercial Palm Beach County	This property consists of a rectangular shaped parcel with approximately 620 feet of frontage along the south side of Okeechobee Boulevard. The site is vacant and partially cleared. The site is currently approved for two hotels with a total of 236 rooms and a buildable square footage of 157,360 SF. One of the hotels is approved for extended stay.
Subject			Located on the southeast corner of Donald Ross Road and Interstate 95 within the Scripps Florida Phase II / Briger Tract PCD, Palm Beach Gardens		4,190,908 96.21			"PCD", Planned Community Development Palm Beach Gardens MXD, Mixed Use	The Subject is known as Parcel B a 96.21-acre portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The Subject is zoned "PCD" Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Subject Site has approval for 1,000,000 SF of biotech / R & D space, 1,200,000 SF of office space, and a 300 room hotel. The Master Development Plan for the entire project proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The development is proposed to occur in four, four-year phases with build-out in 2028. The property currently exists in its natural state.

SALES COMPARISON SUMMARY AND CONCLUSION

The Subject is known as Parcel B, a 96.21-acre portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The project is zoned "PCD" Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel.

The Subject site known as Parcel B is located at the southeast corner of Donald Ross Road and Interstate 95. Based on the provided site plan, access to the site will be available from two interior roads that will run south from Donald Ross Road. Currently the Subject exists in its natural state with no site work or infrastructure in place. The Subject parcel is approved for 1,000,000 square feet of biotech / R&D space, 1,200,000 square feet of office space, and a 300 room hotel. The buildable square footage for the hotel is not available as the impact fees are based on the number of rooms. A typical hotel will average 600 square feet to 700 square feet per room. A recently completed hotel within the Palm Beach Gardens / Jupiter market contained 200,000 square feet and 280 rooms or 714 square feet per room. For the purpose of our analysis we will utilize an estimated buildable size of 195,000 square feet for the hotel or approximately 650 square feet per room.

A sales search was conducted to locate and analyze land sales and listings and compare them to the Subject via the appropriate units of comparison. All of the comparables will be analyzed on a price per square foot of proposed or approved building area which is a commonly used unit of comparison for properties similar to the Subject and best interprets the available data.

Five comparable sales and two listings, as shown on the chart on the facing page, have been included for analysis to estimate the market value of the Subject Parcel. Because of the limited sales data available and the numerous differences between the sales and the Subject, most of our analysis will be on a qualitative basis.

The differences between the sales and the Subject Property will be discussed and from the analysis of the sales, a conclusion will be made which will be applied to the Subject Parcel. The sales have been analyzed as follows:

LAND SALES ANALYSIS (CONT'D)

CONDITIONS OF SALE

All of the comparables were reported to be arm's length transactions and considered to be similar in this respect. Comparable #5 is a current contract for a 32.50-acre portion of a larger, 51.86-acre parcel. It is our understanding that the buyer is currently negotiating with the Town of Jupiter in an attempt to transfer the current approvals to the 32.50-acre portion of the site. Additional information on the details was considered confidential and unavailable. Comparable #6 is a current listing in close proximity to the Subject that is not being aggressively marketed by the owner. The owner considers the asking price to be high and is not in a hurry to sell or develop the site at this time due to the large scale development that is anticipated to occur within the Briger Tract. Adjustments for Comparables #5 and #6 were not made but consideration will be given in our reconciled value to their conditions.

FINANCING

All of the comparable sales involved cash to the seller or typical financing. Since favorable financing was not reported to have impacted the purchase price of the comparable sales, all of the comparables were considered to be similar.

DATE OF SALE

This adjustment is generally required when a significant increase or decrease in value due to changing market conditions has occurred during the time period of comparable sale dates to the prevailing market conditions affecting the Subject's date of valuation. The Comparables range in date of sale from December 2010 to a current contract and listing. The real estate market began to stabilize in 2011/2012 with values starting to trend upward in certain markets over the last 18 to 24 months. Taking market conditions into account no adjustments for date of sale were considered necessary.

LOCATION/ACCESS

The Subject Property is located on the southeast corner of Donald Ross Road and Interstate 95. The site has frontage along the south side of Donald Ross Road, Interstate 95, and the northbound Interstate 95 exit ramp. The Subject site is located adjacent to the 60.81-acre Scripps Phase II parcel and in close proximity to Scripps Florida Phase I, Max Planck Society research institute, the FAU northern campus and Abacoa Town Center. The Subject Site is to be part of Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI) to consist of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel.

LAND SALES ANALYSIS (CONT'D)

LOCATION/ACCESS (CONT'D)

Taking into consideration access, visibility, demographics and exposure, Comparables #1 and #2 were considered similar. Comparable #3 has exposure and frontage along Interstate 95 similar to the Subject but the surrounding demographics are inferior as compared with the Subject. Comparable #4 is located along State Road 7 in the southern Wellington area. The western location is considered inferior as compared with the Subject. Comparable #5 is located in close proximity to Interstate 95 and Indiantown Road in the Town of Jupiter. The overall location is considered similar to the Subject. Comparable #6 is located in close proximity to Interstate 95 within the Palm Beach Gardens / Jupiter area the site does not frontage or exposure and is considered slightly inferior. Comparable #7 is located in close proximity to the Florida Turnpike interchange along Okeechobee Boulevard in the City of West Palm Beach. The Comparable is slightly inferior based on its surrounding demographics.

SIZE

The Subject Site contains 96.21+/- acres of gross land area. The comparables ranged in size from 8.82 acres to 74.10 acres of gross site area. Typically, a smaller site will sell for more on a price per square feet of site area or buildable area basis than a larger site based on the economies of scale concept, all other factors being similar. Conversely, a larger site will sell for less on a price per square foot basis than a smaller site. Comparables #1 and #3 are similar in size with no adjustments necessary. Comparables #2, #4, #6, and #7 are significantly smaller than the Subject and were therefore considered superior. Comparable #5 is slightly smaller than the Subject and considered slightly superior based on size.

UTILITIES

The Subject Site will have water and sewer service available as part of the Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). All of the Comparables were considered to be reasonably similar.

LAND SALES ANALYSIS (CONT'D)

ZONING/APPROVALS

The Subject is a 96.21 acre portion known as Parcel B of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI) and has preliminary approvals for development of 1,000,000 square feet of biotech / R&D space, 1,200,000 square feet of office space, and a 300 room hotel containing approximately 195,000 SF.

All of the Comparables are generally similar in zoning designations allowing for office and research/development type space with the exception of Comparable #3 which allows for retail space. All of the Comparables had approvals in place or were contingent on receiving the necessary approvals and are considered similar to the Subject in this regard.

When considering the price per buildable square foot on a per acre basis Comparables #1 through #5 allowed for a lower percentage of buildable area as compared with the Subject. Due to the inverse relationship between the price per buildable square foot and the price per square foot of site area these Comparables reflected a higher price per buildable area based on their lower allowable building area. Comparables #1 through #5 were considered superior on a price per buildable square foot. Comparables #6 and #7 were allowed for a similar ratio as compared with Subject with no adjustments necessary.

PHYSICAL CHARACTERISTICS

The Subject Property is an irregular shaped site containing 96.21-acres within the Scripps Florida Phase II / Briger Tract Development of Regional Impact (DRI). The Subject is vacant, raw land that is overgrown with trees and native vegetation.

Comparable #1 is reasonably similar to the Subject as to being overgrown with trees and native vegetation. However, Comparable #1 had some infrastructure in place and was considered slightly superior. Comparable #3 was improved with the Palm Beach County Mall which was demolished for redevelopment. The demolition costs for the building improvements is considered to be offset by the site work and infrastructure that was retained from the previous development and therefore is considered similar. The remaining Comparables were considered to be similar to the Subject.

LAND SALES ADJUSTMENT GRID

SALE #	\$/SF of Buildable Area	Financing	Market Conditions	Adjusted \$/SF of Bld. Area	Location / Access	Size	Utilities	Zoning / Approvals Density	Physical Characteristics	Overall Indication	ADJ. \$/SF of Bld. Area
1	\$27.21	0%	0%	\$27.21	Similar	Similar	Similar	Superior	Sl. Superior	Sl. Superior	\$27.21
2	\$40.14	0%	0%	\$40.14	Similar	Superior	Similar	Superior	Similar	Superior	\$40.14
3	\$25.36	0%	0%	\$25.36	Sl. Inferior	Similar	Similar	Superior	Similar	Similar	\$25.36
4	\$28.89	0%	0%	\$28.89	Inferior	Superior	Similar	Superior	Similar	Sl. Superior	\$28.89
5	\$46.43 (Contract)	+/- 0%	0%	\$46.43	Similar	Sl. Superior	Similar	Superior	Similar	Superior	\$46.43 (Contract)
6	\$56.67 (Listing)	0%	0%	\$56.67	Sl. Inferior	Superior	Similar	Similar	Similar	Superior	\$56.67 (Listing)
7	\$34.95 (Listing)	0%	0%	\$34.95	Sl. Inferior	Superior	Similar	Similar	Similar	Similar	\$34.95 (Listing)
	\$37.09	Unadjusted Mean Including Listings						Adjusted Mean Including Listings			\$37.09
	\$33.60	Unadjusted Mean Excluding Listings						Adjusted Mean Excluding Listings			\$33.60

LAND SALES ANALYSIS (CONT'D)

CONCLUSION

Overall, Comparables #1 and #4 were considered slightly superior and were \$27.21 to \$28.89 per square feet of building area respectively. Comparables #2, #5, and #6 were considered superior and ranged from \$40.14 to \$56.67 per square feet of building area. Comparables #3 and #7 were considered similar as compared with the Subject with prices of \$25.36 and \$34.95 per square foot of building area.

Based upon the above analysis and giving greater weight to Sales #1, #3, and #5 which were most similar overall to the Subject, a price per square foot of building area conclusion for the Subject Parcel of \$26.50/SF is considered to be reasonable. Based upon this conclusion, the value for the Subject Property is estimated as follows:

$$2,395,000 \times \$26.50 = \$63,467,500$$

INDICATED VALUE VIA SALES COMPARISON APPROACH

SIXTY THREE MILLION FIVE HUNDRED THOUSAND DOLLARS

\$63,500,000

PROSPECTIVE VALUE (UPON COMPLETION OF INFRASTRUCTURE)

The Subject is known as Parcel B, a 96.21-acre portion of the 681.69 acre Scripps Florida Phase II/Briger Tract Development of Regional Impact (DRI). The project is zoned "PCD" Planned Community Development by the City of Palm Beach Gardens with an underlying land use of Mixed Use (MXD). The Master Development Plan proposes several components, including the Scripps Campus District, a Biotech District, a Town Center District, a Neighborhood District, a Neighborhood Commercial District, and upland and wetland preserve areas. The plan proposes a total of 2,600,000 square feet of biotech research and development, 1,200,000 square feet of office, 500,000 square feet of retail, 2,700 residential units and a 300 room hotel. The Subject parcel is approved for 1,000,000 square feet of biotech / R&D space, 1,200,000 square feet of office space, and a 300 room hotel.

The Subject site known as Parcel B is located at the southeast corner of Donald Ross Road and Interstate 95. Based on the provided site plan, access to the site will be available from interior roads that will be extended south from Donald Ross Road. Heights Boulevard, which currently terminates at Donald Ross Road, will be extended south through Parcel B and will be known as Pasteur Boulevard which will be extended to the east to second north/south road to be known as Alton Road. Upon completion of the road system within this portion of the Briger Tract, access will be available from the primary surrounding roads including Donald Ross Road to the north, Hood Road to the south, and Central Boulevard to the east. In addition to the road ways, infrastructure and improvements to be completed within the Subject parcel will include clearing of the existing vegetation, fill, drainage, utilities, lighting, wetlands mitigation, upland preserves, right of way buffers, and the creation of 22.95-acres of lakes.

Based on the Unit of Development No. 2C, Report of Engineer completed for the Northern Palm Beach County Improvement District, dated January 10, 2014 Community Improvements planned for the Briger Tract will include a surface water management system, off-site roadways, on-site roadways, lighting, water, sewer, landscape and hardscape improvements, inspection fees, and wetland/preserve and enhancements. As of the date of this report none of the improvements have been completed. Exhibit D-2 of the report provides an allocation of cost for the benefits provided from the implementation and/or construction of the improvements authorized in the proposed Plan of Improvements.

To establish a fair and equitable apportionment of the Amount of Determined Benefits to be incurred or derived as a result of the implementation and construction of the improvements authorized by the Plan for any portion of the Assessable Real Property in the Unit that is platted will be based in part on the level of utilization of certain improvements. The District Engineer has determined that there are nine primary Land Use Classification Categories for the Assessable Real Property. The Subject (Parcel B) includes three categories; Biotech B, Office, and Hotel.

PROSPECTIVE VALUE (CONT'D)

The following factors were considered in determining the extent to which land designated to a Land Use Classification category would benefit from the implementation and construction of the Plan: (i) surface water runoff and the percent impervious surface area of each of the nine land uses, (ii) average daily on-site and off-site traffic trips generated by each of the nine land uses, (iii) acreage of land in each of the nine land uses, and (iv) water and sewer demand for each of the nine land uses.

Use of these Land Use Classifications results in the allocation of Determined Benefits for Community Infrastructure as indicated in the table below.

TABLE 1

Land Use Classification	Amount of Determined Benefit	Minimum Area Designation (Acres)	Maximum Benefit Per Acre
Biotech A	\$14,006,977	59.57	235,134.75
Biotech B	8,290,901	32.50	255,104.63
Office	10,897,459	40.53	268,873.88
Hotel	1,491,554	2.00	745,776.99
Commercial/Retail	8,274,866	40.67	203,463.64
Apartment	3,248,575	13.00	249,890.37
Townhome - Residential	5,769,556	36.12	159,733.01
Single Family - Residential	26,506,830	230.20	115,146.96
Utility	341,660	5.00	68,332.05
Total	\$78,828,378	459.59	

(Source: Exhibit D2 of Unit of Development No. 2C, Report of Engineer dated January 10, 2014)

Based on the provided table the Determined Benefit or infrastructure costs allocated to the Subject (Parcel B) totals **\$20,679,914** (Biotech B - \$8,290,901 / Office - \$10,897,459 / \$1,491,554) or approximately 26% of the total Community Infrastructure.

To arrive at our prospective value we will apply the allocated Determined Benefit for the planned improvements for Parcel B to our Fee Simple Land Value as well as an entrepreneurial profit for the risk involved with completing the project.

Based on our Highest and Best Use conclusion that the planned project is considered appropriately supported and financially feasible the inclusion of an entrepreneurial profit in our analysis is reasonable. Although the demand for Biotech space within Palm Beach County suffered similar to the rest of the real estate market during the recession (2007 – 2011) there are signs that demand and interest is increasing. As discussed previously within this report the current owners have received two separate offers to purchase a 5-acre parcel and a 3-acre parcel for \$1,000,000 per acre and \$750,000 per acre respectively within Parcel B. The offers were based on the completion of the planned infrastructure.

PROSPECTIVE VALUE (CONT'D)

The following are large projects within the Palm Beach Gardens / Jupiter market that provide support for development similar to the Subject.

-A 32-acre+/- parcel with approvals for approximately 350,000 square feet of High Tech and Employment Center space located along the north side of Indiantown Road and Interstate 95 is currently under contract. The buyer is negotiating with the Town of Jupiter regarding the approvals.

-Florida Power and Light purchased a 74.10-acre site that has approvals in place for 993,000 square feet of office and office/research space in June 2011.

-An 18+/- acre tract located along Central Boulevard just south of Hood Road has concurrency approvals for up to 300,000 square feet of retail and professional office use. The developer believes the demand for additional development within this area will continue as the influence of the biotech companies grows.

According to an article published in the South Florida Business Journal in October 2013 other areas in the South Florida Market are investing in Biotech / R&D projects.

-Nova Southeastern University broke ground in February 2014 on the Center for Collaborative Research. The \$80 million dollar project will contain approximately 215,000 square feet of building area that will be utilized by researchers.

-Florida Atlantic University is actively looking for land to build on or near Scripps in Jupiter. The Research Park at Florida Atlantic University goal is to capture economic activity that is generated from the existing research facilities. The university is also working on establishing a new neuroscience program in collaboration with the Max Planck International Research Group, which is located on its Jupiter Campus, aiming to attracting top research candidates to the area.

-Miami University is planning to start Phase II of the University of Miami Life Science & Technology Park consisting of hotel/conference space which would satisfy the demand generated by conferences and academic events.

PROSPECTIVE VALUE (CONT'D)

A buyer of the Subject project "As Is" would factor the risk and time associated with completing the infrastructure. Considering the owner has paid \$1,200,000 for site planning, \$800,000 for wetland mitigation, and \$1,825,000 for mineral rights a reasonable entrepreneurial profit of 10% of the Determined Benefits allocated to Parcel B will be utilized (**\$20,679,914 x 10% = \$2,067,991 or \$2,050,000 rounded**).

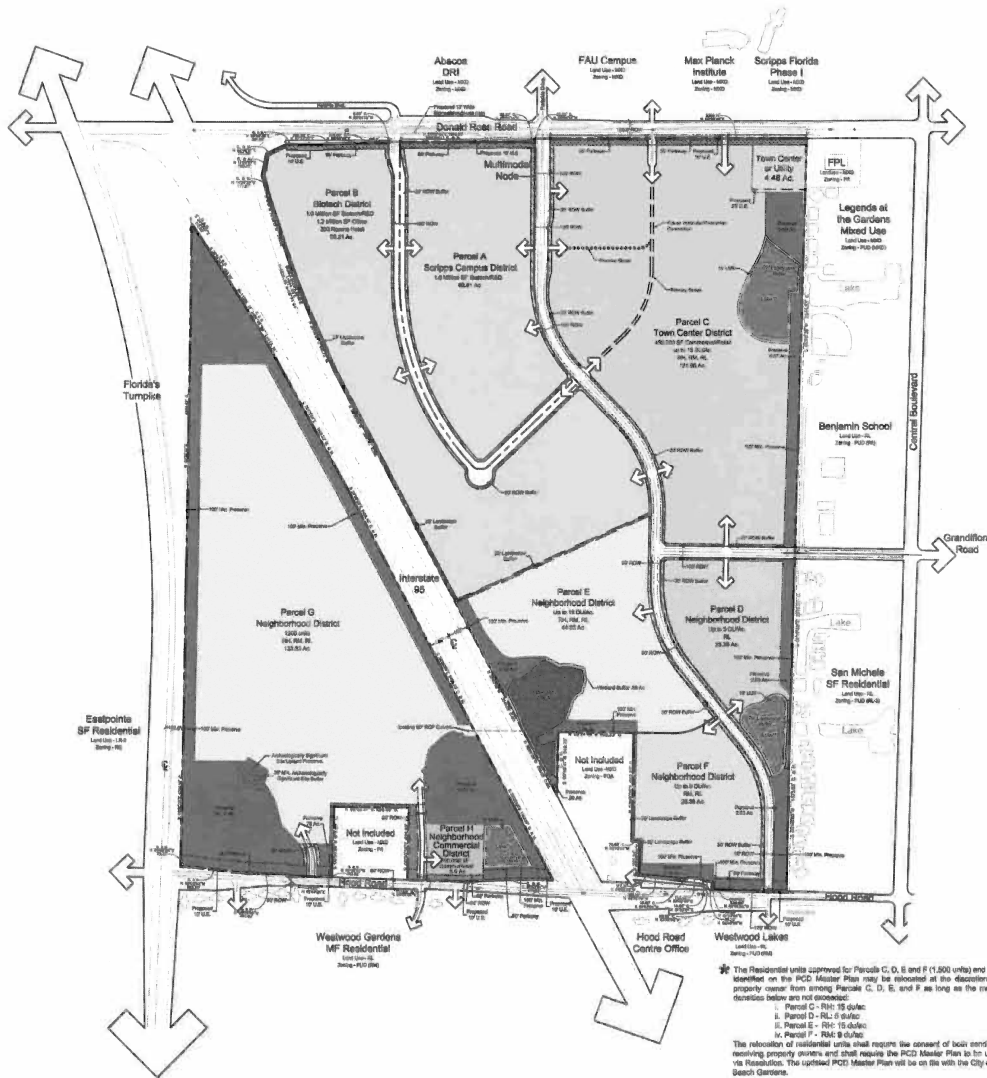
As a result of our investigation and analysis of the information outlined in the report, we hereby submit that our opinion of the "Prospective" Market Value of the Fee Simple Interest of the Subject Property, upon completion of the planned improvements, to be completed by May 1, 2015, as of May 5, 2014, is as follows:

"AS IS" LAND VALUE:	\$63,500,000
DETERMINED BENEFIT:	\$20,679,914
PROFIT INCENTIVE:	<u>\$ 2,050,000</u>
	\$86,229,914 (\$86,200,000 Rnd)

EIGHTY SIX MILLION TWO HUNDRED THOUSAND DOLLARS

\$86,200,000

ADDENDA



Site Data

Current Zoning	POA
Proposed Zoning	MDX/PCD Overlay
Current Land Use	MID
Proposed Land Use	MPC
Total Site Area	651.52 Ac.
Density	
RI - up to 15 DU/AC	
RM - up to 9 DU/AC	
RL - up to 5 DU/AC	
Section/Township/Range	28.35/14/1E2

Development Program

West Parcel	208.38 Ac.
Retail	50,000 sq ft
Apartments	300 units
Multifamily	800 units
Single Family	280 units
East Parcel	472.31 Ac.
Industrial/MDX/Blotach	2,500,000 sq ft
Office	1,200,000 sq ft
Hotel	300 rooms
Retail	400,000 sq ft
Apartments	300 units
Multifamily	800 units
Single Family	300 units

Site Area Breakdown

Parcels	626.28 Ac.
Parcel A - Scripps Campus District	50.51 Ac.
Parcel B - Blotach District	98.21 Ac.
Parcel C - Town Center District	121.90 Ac.
Parcel D - Neighborhood District	26.29 Ac.
Parcel E - Neighborhood District	44.93 Ac.
Parcel F - Neighborhood District	28.38 Ac.
Parcel G - Neighborhood District	133.33 Ac.
Parcel H - Neighborhood Commercial District	5.50 Ac.
Town Center or Utility	4.48 Ac.
Upstead Preserve Area	96.33 Ac.
Required	96.33 Ac.
Provided Includes 71 Ac. Architecturally Significant Sites	83.29 Ac.
Onsite	83.29 Ac.
Offsite	12.34 Ac.
Total	96.90 Ac.
Wetland Area (including buffers)	8.36 Ac.
Lakes	16.00 Ac.
PCD Buffers	11.38 Ac.
ROW Buffers	12.40 Ac.
Utility Easement (Adjacent to Hood Road Preserve)	0.85 Ac.
Right of Ways	30.49 Ac.
Total	161.57 Ac.

Open Space Calculations

Total Site Area	651.52 Ac.
Required Open Space (20% Min. Required)	130.34 Ac.
Provided Open Space	107.91 Ac. (16.5%)
Preserve Area	96.17 Ac.
Upstead Preserve	60.87 Ac.
Wetland Area	7.50 Ac.
Wetland Buffers	0.86 Ac.
PCD Buffers	11.38 Ac.
ROW Buffers	12.40 Ac.
Lakes (including LME)	16.00 Ac.

Remaining 28.53 Ac. of Open Space to be provided within the parcels.

Parcel	Area	% of Total	Open Space	Required per Parcel
A	50.51 Ac.	11.8%	28.53 Ac.	3.27 Ac.
B	98.21 Ac.	23.1%	28.53 Ac.	3.31 Ac.
C	121.90 Ac.	29.5%	28.53 Ac.	3.43 Ac.
D	26.29 Ac.	6.4%	28.53 Ac.	1.07 Ac.
E	44.93 Ac.	11.0%	28.53 Ac.	1.28 Ac.
F	28.38 Ac.	7.0%	28.53 Ac.	1.02 Ac.
G	133.33 Ac.	32.6%	28.53 Ac.	3.29 Ac.
H	5.50 Ac.	1.3%	28.53 Ac.	0.38 Ac.
I	5.50 Ac.	1.3%	28.53 Ac.	0.38 Ac.
J	5.50 Ac.	1.3%	28.53 Ac.	0.38 Ac.
K	5.50 Ac.	1.3%	28.53 Ac.	0.38 Ac.
TOTAL	651.52 Ac.	100%	28.53 Ac.	28.53 Ac.

Total Open Space Required: 138.34 Ac.
Total Open Space Provided excluding Parcels: 107.91 Ac.
Total Open Space Provided including Parcels: 138.34 Ac.

Notes

- Lakes shown are conceptual in configuration and are for drainage purposes. Additional lake locations, sizes, and configuration to be determined at the time of Final Site Plan approval for each parcel.
- See Design Guidelines for additional regulations.
- See Upstead Preserve Mitigation Plan for upland area details.
- Parcel coverages are not inclusive of Preserve, Wetland, PCD Buffer, ROW Buffer or Lake coverages.



MXD Land Allocation

Open Space	Required: 20%
Proposed:	20%
Commercial	Maximum: 30%
Proposed:	3%
Employment Center	Minimum: 20%
Maximum:	90%
Proposed:	25%
Residential Low	Minimum: 2%
Maximum:	35%
Proposed:	11%
Residential High	Minimum: 5%
Maximum:	35%
Proposed:	35%

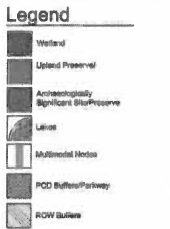
MXD Lot Coverage

Commercial	Maximum: 50%
Proposed:	50% Max
Employment Center	Maximum: 70%
Proposed:	70% Max
Residential	Maximum: 50%
Proposed:	50% Max

MXD Height

Commercial	Maximum: 4 Floors
Proposed:	4 Floors
Employment Center	Maximum: 150 Feet
Proposed:	150 Feet
Residential	Maximum: 4 Floors
Proposed:	4 Floors

Above allocations are based on the gross storage of the project.
*Pursuant to pending Comprehensive Plan Amendment.
**See Development Order Conditions of Approval.



urban design kilday STUDIOS
Urban Planning & Design
Landscape Architecture
Communication Graphics

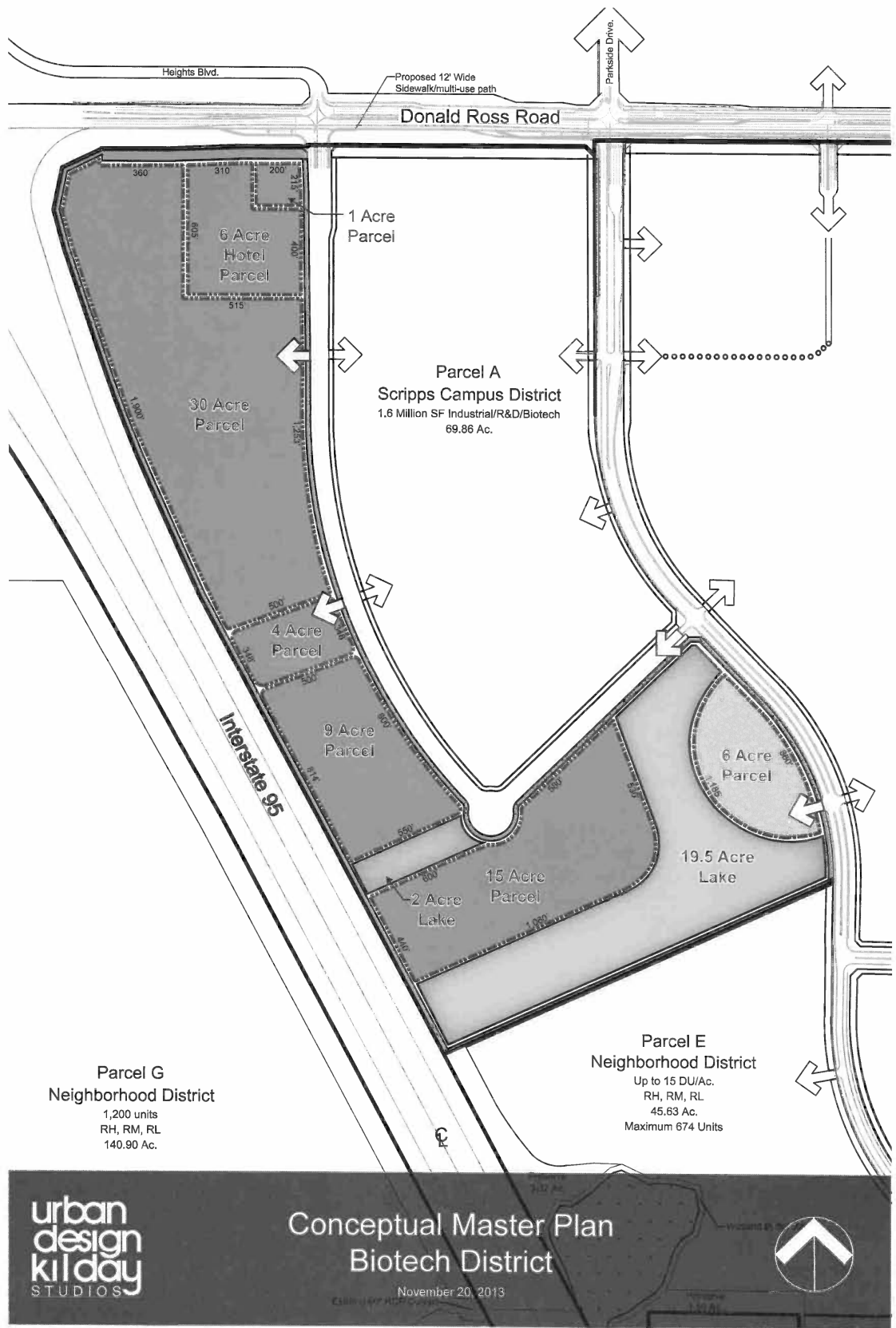
The Luffs at City Place
177 S. Rosemary Ave., Suite 225
West Palm Beach, FL 33411
P 561-888-1100
F 561-888-1111
www.udstudios.com

Prepared By: 04-08-05
Checked By: 05/04/06
Drawn By: KT

Revised Date / Content:
05/04/06 - 05/04/06
05/04/06 - 05/04/06
11/04/06 - 11/04/06
01/05/07 - 01/05/07

**Scripps Florida Phase II
Brigr Tract DRI**
Palm Beach Gardens, Florida
PCD Master Plan

Sheet 1 of 1

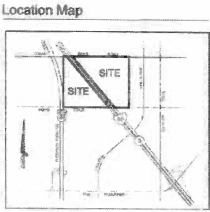
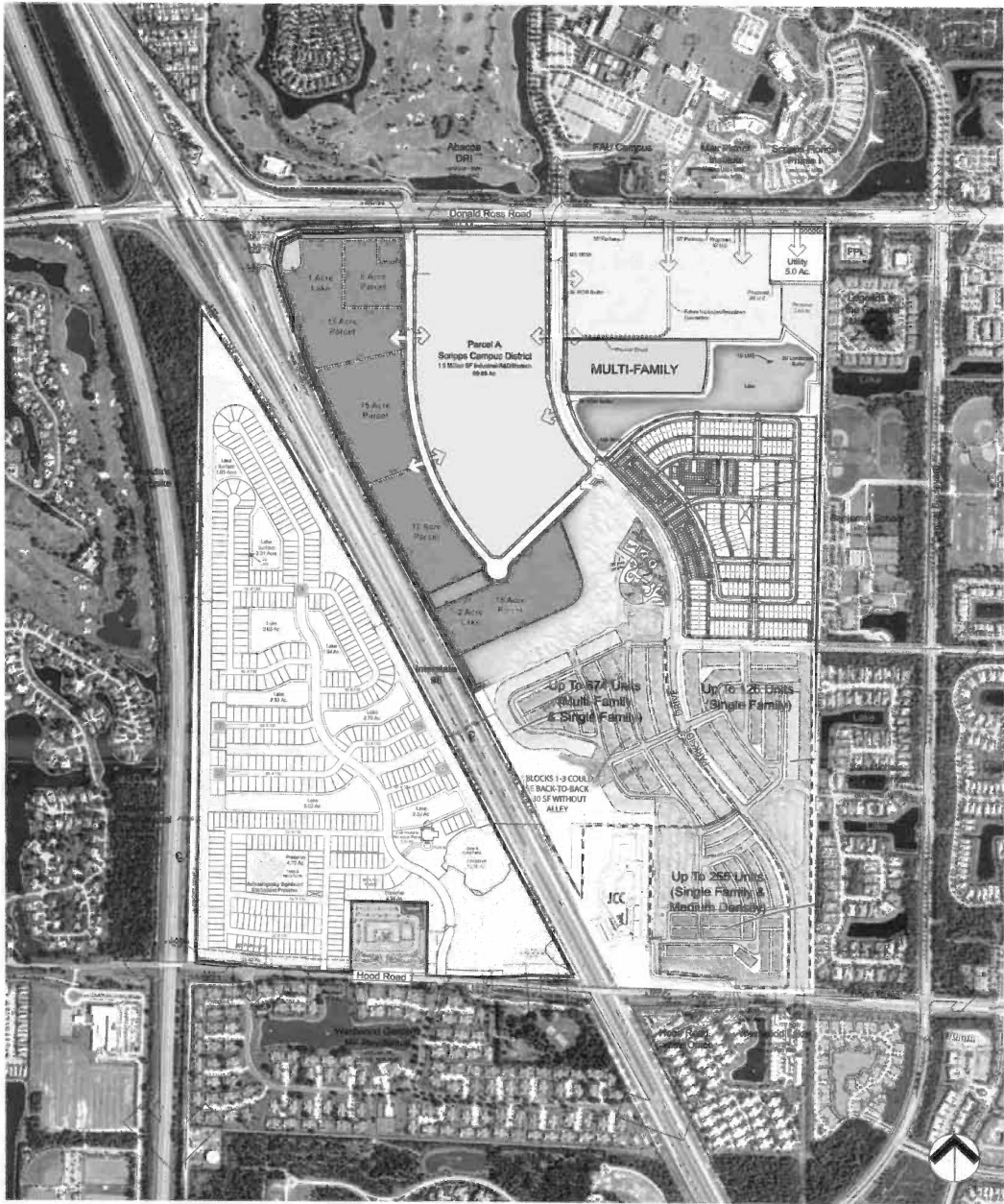


urban
design
kilday
STUDIOS

Conceptual Master Plan
Biotech District

November 20, 2013





BRIGER TRACT
 PALM BEACH GARDENS, FLORIDA



CFN 20110392082
 OR BK 24808 PG 1316
 RECORDED 10/21/2011 10:58:33
 Palm Beach County, Florida
 AMT 25,000,000.00
 Doc Stamp 175,000.00
 Sharon R. Bock, CLERK & COMPTROLLER
 Pgs 1316 - 1324; (9pgs)

THIS INSTRUMENT PREPARED BY:

Bruce D. Loring, Esq.
 Holland & Knight LLP
 131 South Dearborn Street, 30th Floor
 Chicago, Illinois 60603

- 74-43-43-18-00-000-5040
- 74-43-43-17-00-000-7050
- 74-43-43-17-00-000-7110
- 74-43-43-17-00-000-7130
- 74-43-43-17-00-000-7020
- 74-43-43-18-00-000-5090
- 74-43-43-18-00-000-5060
- 74-43-43-18-00-000-5100
- 74-43-43-17-03-011-0011

SPECIAL WARRANTY DEED

This Special Warranty Deed Made this 19th day of October, 2011, by **PB Mall, LLC**, a Florida limited liability company (the "**Grantor**"), and having its place of business at c/o ORIX Capital Markets, LLC, 1717 Main Street, Suite 900, Dallas, Texas 75201, to **Palm Beach Mall Holdings LLC**, a Delaware limited liability company (the "**Grantee**"), whose post office address is c/o New England Development, One Wells Avenue, Newton, Massachusetts 02459.

WITNESSETH: That Grantor, for and in consideration of the sum of \$10.00 Dollars, and other valuable considerations, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto Grantee, all that certain land situate in Palm Beach County, Florida, more particularly described on Exhibit A attached hereto.

TOGETHER with all the tenements, easements, hereditaments and appurtenances thereto belonging or in anywise appertaining, subject to the Permitted Exceptions attached hereto as Exhibit B attached hereto.

To Have and to Hold, the same in fee simple forever.

And the Grantor hereby covenants with said Grantee that the Grantor is lawfully seized of said land in fee simple; that the Grantor has good right and lawful authority to sell and convey said land; that the Grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under the said Grantor, but not otherwise.

(Wherever used herein the terms "grantor" and "grantee" includes all the parties to this instrument, and the heirs, legal representatives and assigns of individuals, and the successors and assigns of any corporations or other entities.)

#10661059_v3


SPECIAL WARRANTY DEED
 Page 1 of 4

HOLLAND & KNIGHT LLP
 Suite 1200
 515 East Las Olas Boulevard
 Ft. Lauderdale, FL 33301

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed in its name, and its corporate seal to be hereunto affixed, by its proper officers thereunto duly authorized, the day and year first above written.

PB MALL, LLC, a Florida limited liability company

By: ORIX Capital Markets, LLC, a Delaware limited liability company, as Special Servicer for J.P. Morgan Chase Commercial Mortgage Securities Corp. Commercial Mortgage Pass-Through Certificates Series 2003-PM1, Sole Member

By: 
Name: Douglas R. Pulez
Title: Managing Director

Signed, sealed and delivered in the presence of:
Witness Signature Cynthia L. Goble
Witness Printed Name Cynthia L. Goble
Witness Signature Denise Miller
Witness Printed Name Denise Miller

STATE OF TEXAS

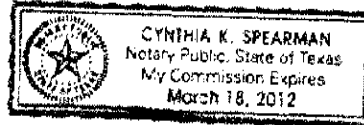
COUNTY OF DALLAS

The foregoing instrument was acknowledged before me this 14th day of October, 2011 by Douglas K. Miller, as Managing Director of ORIX CAPITAL MARKETS, LLC, a Delaware limited liability company, as Special Servicer for J.P. Morgan Chase Commercial Mortgage Securities Corp. Commercial Mortgage Pass-Through Certificates Series 2003-PM1, sole member of PB Mall, LLC. He/she is personally known to me or has produced driver license(s) as identification.

Cynthia K. Spearman
Printed Name: Cynthia K. Spearman

Notary Public in and for the State of Texas

My Commission expires: 3-18-2012



SPECIAL WARRANTY DEED
Page 3 of 3

41061039 v3

EXHIBIT A

LEGAL DESCRIPTION

Parcel I

A tract of land in Section 17, 18, and 19, Township 43 South, Range 43 East, Palm Beach County, Florida, being more particularly described as follows:

From the Southeast corner of Section 18, Township 43 South, Range 43 East, run North 89 degrees 45'34" West, along the South line of said Section 18, a distance of 690.98 feet to the point in a Northwesterly right-of-way line of Palm Beach Lakes Boulevard, formerly 12th Street and the Point of Beginning of the Tract of land hereinafter described:

Thence South 36 degrees 57'36" West, along said right-of-way line, a distance of 278.75 feet; thence South 73 degrees 05'39" West, a distance of 132.40 feet to a point in the Easterly right-of-way line of State Road No. 9 (I-95); thence by the following courses along said Easterly right-of-way line of State Road No. 9, North 35 degrees 02'24" West a distance of 489 feet; North 23 degrees 21'58" West, a distance of 610 feet to a point in the arc of a curve concave to the East having a radius of 3669.83 feet and a central angle of 13 degrees 58'23" and whose tangent at this point makes an angle with the preceding course (measured from North through East to South) of 169 degrees 24'34"; thence Northerly along the arc of said curve a distance of 894.98 feet to the end of said curve; thence North 01 degree 11'51" East, along the tangent to said curve and along said easterly right-of-way line of State Road No. 9, a distance of 496.51 feet; thence East a distance of 130.03 feet; thence North 01 degree 11'51" East 100.02 feet; thence East 600.99 feet; thence South 66.17 feet; thence South 45 degrees 00'00" West 328.85 feet; thence South 45 degrees 00'00" East 320.69 feet; thence East 148.21 feet; thence South 45 degrees 00'00" East 75.00 feet; thence North 45 degrees 00'00" East 85.00 feet; thence East 190.24 feet; thence North 50.00 feet; thence East 115.50 feet; thence North 108.11 feet; thence East 54.07 feet; thence North 270.00 feet; thence East 70.00 feet; thence North 335.00 feet; thence East 144.96 feet to a point in the proposed Southwesterly right-of-way line of Congress Avenue; thence with a new right-of-way Congress Avenue for two calls; South 57 degrees 00'00" East a distance of 202.42 feet to the beginning of a curve concave to the Southwest, having a radius of 1045.00 feet and a central angle of 30 degrees 30'09"; thence Southeasterly along the arc of said curve, a distance of 556.32 feet to the end of said curve; thence South 26 degrees 29'51" East, a distance of 22.08 feet; thence South 63 degrees 30'09" West, a distance of 137.0 feet; thence South 26 degrees 29'51" East a distance of 535.09 feet to a point in said Northwesterly right-of-way line of Palm Beach Lakes Boulevard, formerly 12th Street, said point being the arc of a curve concave to the Southeast and having a radius of 3138.27 feet, thence Southwesterly along the arc of said curve, being said Northwesterly right-of-way line of Palm Beach Lakes Boulevard, formerly 12th Street and through an angle of 23 degrees 04'18", a distance of 1,263.71 feet to the end of said curve; thence South 36 degrees 57'36" West, along the tangent of said curve and along said right-of-way line, a distance of 646.35 feet to the Point of Beginning.

LESS and EXCEPT that portion of property conveyed to Dillard's, Inc., in Official Records Book 11478, Page 1409, and more particularly described as follows:

A parcel of land in Section 18, Township 43 South, Range 43 East, Palm Beach County, Florida, being more particularly described as follows:

EXHIBIT A TO SPECIAL WARRANTY DEED

LEGAL DESCRIPTION

Page 1 of 3

#1065109 v.1

Commencing at the Southwest corner of Lot 2, Block 11, of the Plat of Block 11, FLAMING WATERS COUNTRY CLUB, according to the plat thereof as recorded in Plat Book 28, page 239 of the Public Records of Palm Beach County, Florida; thence South 90 degrees 00'00" East, along the South line of said Plat of Block 11, a distance of 600.99 feet; thence South 00 degrees 00'00" East, a distance of 66.17 feet; thence South 45 degrees 00'00" West, a distance of 366.03 feet; thence South 45 degrees 00'00" East, a distance of 108.01 feet to the Point of Beginning; said point being on the arc of a circular curve to the right whose radius point bears South 44 degrees 58'04" East from said point; thence Easterly and Southerly along the arc of said curve, having a radius of 30.10 feet, a central angle of 90 degrees 00'00", and an arc length of 47.28 feet to a point of tangency; thence South 44 degrees 58'04" East, a distance of 122.01 feet to a point of curvature of a circular curve to the left; thence Southerly and Easterly along the arc of said curve, having a radius of 49.90 feet, a central angle of 33 degrees 41'24", and an arc length of 29.34 feet to a point of tangency; thence South 78 degrees 39'28" East, a distance of 5.78 feet to a point of curvature of a circular curve to the right; thence continue Southerly and Easterly along the arc of said curve, having a radius of 50.10 feet, a central angle of 33 degrees 41'24", and an arc length of 29.46 feet; thence South 44 degrees 58'04" East, a distance of 13.06 feet; thence South 90 degrees 00'00" East, a distance of 130.11 feet; thence South 45 degrees 00'00" East, a distance of 89.75 feet; thence South 44 degrees 59'57" West, a distance of 64.66 feet; thence North 44 degrees 21'49" West, a distance of 11.91 feet; thence South 45 degrees 01'59" West, a distance of 57.57 feet; thence South 44 degrees 58'04" East, a distance of 85.63 feet; thence South 45 degrees 01'56" West, a distance of 232.62 feet; thence North 44 degrees 58'04" West, a distance of 103.66 feet; thence South 45 degrees 01'56" West, a distance of 49.82 feet to a point of curvature of a circular curve to the right; thence Westerly and Northerly, along the arc of said curve, having a radius of 5.73 feet, a central angle of 90 degrees 00'00", and an arc length of 8.99 feet to the point of tangency; thence North 44 degrees 58'04" West, a distance of 181.96 feet; thence North 45 degrees 01'56" East, a distance of 31.13 feet; thence North 44 degrees 58'04" West, a distance of 159.45 feet to a point of curvature of a circular curve to the right; thence Northerly and Easterly, along the arc of said curve, having a radius of 30.10 feet, a central angle of 90 degrees 00'00", an arc length of 47.28 feet to the point of tangency; thence North 45 degrees 01'56" East, a distance of 206.83 feet to the Point of Beginning.

Said lands situate in the City of West Palm Beach, Palm Beach County, Florida.

LESS and EXCEPT that portion of property conveyed to Burdines Inc., an Ohio corporation, by that Confirmatory Deed, recorded June 17, 1999 in Official Records Book 11178, Page 567, of the Public Records of Palm Beach County, Florida; more particularly described as follows:

A parcel of land in Section 18, Township 43 South, Range 43 East, Palm Beach County, Florida, more particularly described as follows:

Commencing at the Southwest corner of Lot 2, Block 11, of the Plat of Block 11, Flaming Waters Country Club, according to the Plat thereof as recorded in Plat Book 28, Page 239 and 240, of the Public Records of Palm Beach County, Florida; thence South 90 degrees 00'00" East, along the South line of Lots 1 and 2 of said Plat, a distance of 600.99 feet to the Point of Beginning; thence South 00 degrees 00'00" West, a distance of 66.17 feet; thence South 45 degrees 00'00" West, a distance of 366.03 feet; thence South 45 degrees 00'00" East, a distance of 108.01 feet to a point on the arc of a circular curve to the right whose radius point bears South 44 degrees 58'04" East from said point; thence Easterly and Southerly along the arc of said curve, having a radius of 30.10 feet, a central angle of 90

EXHIBIT A TO SPECIAL WARRANTY DEED
LEGAL DESCRIPTION

Page 2 of 3

410641039 13

degrees 00'00", and an arc length of 47.28 feet to a point of tangency; thence South 44 degrees 58'04" East, a distance of 122.01 feet to a point of curvature of a circular curve to the left; thence Southerly and Easterly along the arc of said curve, having a radius of 49.90 feet, a central angle of 33 degrees 41'24", and an arc length of 29.34 feet to a point of tangency; thence South 78 degrees 39'28" East, a distance of 5.78 feet to a point of curvature of a circular curve to the right; thence Easterly and Southerly along the arc of said curve, having a radius of 50.10 feet, a central angle of 33 degrees 41'24", and an arc length of 29.46 feet to a point of tangency; thence South 44 degrees 58'04" East, a distance of 13.06 feet; thence North 90 degrees 00'00" East, a distance of 130.11 feet; thence South 45 degrees 00'00" East, a distance of 75.00 feet; thence North 45 degrees 00'00" East, a distance of 85.00 feet; thence North 90 degrees 00'00" East, a distance of 190.24 feet; thence North 00 degrees 00'00" East, a distance of 50.00 feet; thence North 90 degrees 00'00" East, a distance of 115.50 feet; thence North 00 degrees 00'00" East, a distance of 108.11 feet; thence North 90 degrees 00'00" East, a distance of 54.07 feet; thence North 00 degrees 00'00" East, a distance of 270.00 feet; thence North 90 degrees 00'00" East, a distance of 70.00 feet; thence North 00 degrees 00'00" East, a distance of 335.00 feet; thence North 90 degrees 00'00" East, a distance of 121.13 feet; thence North 57 degrees 00'00" West, a distance of 107.00 feet; thence South 90 degrees 00'00" West, a distance of 344.78 feet; thence South 00 degrees 00'00" West, a distance of 303.00 feet; thence South 90 degrees 00'00" West, a distance of 372.00 feet to the POINT OF BEGINNING.

Parcel II - Easements:

Together with those non-exclusive rights and easements constituting rights in real property created, defined and limited by that certain Restated and Amended Operating Agreement and Memorandum of Operating Agreement by and between Burdines, Inc., an Ohio corporation, Dillard's, Inc., a Delaware corporation, Simon Property Group, L.P., a Delaware limited partnership, and Simon Palm Beach, L.L.C., a Delaware limited liability company, dated November 22, 1999 and recorded November 30, 1999 in Official Records Book 11478, Page 1418, all of the Public Records of Palm Beach County, Florida.

EXHIBIT A TO SPECIAL WARRANTY DEED
LEGAL DESCRIPTION

Page 3 of 3

W10661059_3

EXHIBIT B

PERMITTED EXCEPTIONS

1. Taxes for the year 2011, and subsequent years, not yet due and payable.
2. Covenants in perpetuity running with the lands herein, that there shall be no exploration or mining or drilling for gas, oil, or minerals unless released by the City or its successor municipalities, said covenants contained in Special Warranty Deed by and between The City of West Palm Beach, a municipal corporation, and Perini Westward Developers, Inc., a Florida corporation, dated November 13, 1961, and recorded November 14, 1961, in Official Records Book 700, Page 297; and that Special Warranty Deed by and between The City of West Palm Beach, a municipal corporation, and Perini Land and Development Company, a Delaware corporation, dated March 11, 1963 and recorded March 12, 1963 in Official Records Book 873, Page 796; and that Special Warranty Deed, by and between The City of West Palm Beach, a municipal corporation, and Perini Land and Development Company, a Delaware corporation, dated September 7, 1965 and recorded September 21, 1965 in Official Records Book 1264, Page 366; all of the Public Records of Palm Beach County, Florida.
3. Sixty Foot (60') drainage easement as reserved in that certain Warranty Deed by and between Perini Land and Development Company, a Delaware corporation, and Palm Beach Mall, Inc., a Florida corporation, dated November 15, 1965, and recorded November 18, 1965 in Official Records Book 1291, Page 41, of the Public Records of Palm Beach County, Florida.
4. Easement in favor of Florida Power & Light Company, recorded April 17, 1967 in Official Records Book 1512, Page 243, of the Public Records of Palm Beach County, Florida.
5. Right of Way Easement in favor of Southern Bell Telephone and Telegraph Company, recorded April 17, 1967 in Official Records Book 1512, Page 439, of the Public Records of Palm Beach County, Florida.
6. Easement in favor of Florida Power & Light Company, recorded October 17, 1967 in Official Records Book 1601, Page 294, of the Public Records of Palm Beach County, Florida.
7. Easement by and between Palm Beach Mall, Inc., as Grantor, and Florida Power & Light Company, as Grantee, dated October 16, 1967 and recorded December 28, 1967 in Official Records Book 1631, Page 921; as modified by that Modification of Easement as to Burdines Tract, recorded June 17, 1999 in Official Records Book 11178, Page 572; and modified in that Modification of Easement as to Developer Tract, recorded June 17, 1999 in Official Records Book 11178, Page 577; all of the Public Records of Palm Beach County, Florida.
8. Drainage Easement, by and between Palm Beach Mall, Inc., a Florida corporation, as Grantor, and the City of West Palm Beach, a Florida municipal corporation, dated November 20, 1978 and recorded November 28, 1978 in Official Records Book 2965, Page 748, of the Public Records of Palm Beach County, Florida.

EXHIBIT B TO SPECIAL WARRANTY DEED
PERMITTED EXCEPTIONS

Page 1 of 3

#10661089_v3

9. Drainage Easement, by and between Palm Beach Mall, Inc., a Florida corporation, as Grantor, and the City of West Palm Beach, a Florida municipal corporation, dated November 20, 1978 and recorded November 28, 1978 in Official Records Book 2965, Page 750, of the Public Records of Palm Beach County, Florida.
10. Restated and Amended Operating Agreement and Memorandum of Operating Agreement By and Between Burdines, Inc., Dillard's, Inc., Simon Property Group, L.P., as Tenants in Common Owner and Simon Palm Beach, L.L.C., as Tenant in Common Owner, recorded November 30, 1999 in Official Records Book 11478, Page 1418, of the Public Records of Palm Beach County, Florida.
11. Right of Way Easement, in favor of Southern Bell Telephone and Telegraph Company, recorded May 10, 1979, in Official Records Book 3057, Page 79, of the Public Records of Palm Beach County, Florida.
12. Easement in favor of Florida Power & Light Company, recorded January 15, 1980 in Official Records Book 3212, Page 1352, of the Public Records of Palm Beach County, Florida.
13. Minor Subdivision Plat by Palm Beach Mall, Inc., a Florida corporation, Federated Department Stores, Inc., a Delaware corporation, and Corporate Property Investors, a Massachusetts business trust, dated June 7, 1988 and recorded July 23, 1987 in Official Records Book 5363, Page 261, of the Public Records of Palm Beach County, Florida.
14. Parking and Access Easement Agreement, by and between Simon Property Group, L.P., a Delaware limited partnership, Simon Palm Beach, L.L.C., a Delaware limited liability company, Grantor, and Dillard's, Inc., a Delaware corporation, Grantee, dated November 22, 1999 and recorded November 30, 1999 in Official Records Book 11478, Page 1462; and corrected by that Corrective Parking and Access Easement Agreement, recorded January 27, 2000 in Official Records Book 11579, Page 1451, both of the Public Records of Palm Beach County, Florida.
15. Memorandum of Lease, by and between Palm Beach Mall, Inc., a Florida corporation, as Landlord, and J.C. Penny Company, Inc., a Delaware corporation, as Tenant, dated May 28, 1965 and recorded July 21, 1966 in Official Records Book 1403, Page 73; and that Lease Term Agreement, by and between Palm Beach Mall, Inc., a Florida corporation, as Landlord, and J.C. Penny Company, Inc., a Delaware corporation, as Tenant, dated November 30, 1967 and recorded January 19, 1968 in Official Records Book 1634, Page 1425; and supplemented by that Supplemental Memorandum of Lease, dated August 28, 1978 and recorded February 29, 1979 in Official Records Book 3016, Page 335; and amended by that Second Amendment of Lease, recorded July 15, 1981 in Official Records Book 3561, Page 42; and as amended by that Memorandum of Fourth Amendment to Lease, recorded May 14, 1999, in Official Records Book 11110, Page 722; all of the Public Records of Palm Beach County, Florida.
16. Memorandum of Lease by and between Simon Property Group, L.P., a Delaware limited partnership, as Landlord, and Mars, Inc., a Florida corporation, as Tenant, recorded May 18, 2000 in Official Records Book 11788, Page 378, assigned to George's Music of Florida, Inc. as evidenced by Notice of Assignment of Lease

EXHIBIT B TO SPECIAL WARRANTY DEED
PERMITTED EXCEPTIONS

Page 2 of 3

#1060109_v3

recorded March 13, 2008 in Official Records Book 22500, Page 1058, of the Public Records of Palm Beach County, Florida.

17. Dedication, easements and restrictions as contained on the Plat of Block 11 Flaming Waters Country Club recorded in Plat Book 28, page 239, of the public records of Palm Beach County, Florida.

18. Easements set forth in Warranty Deed recorded October 22, 1968 in Official Record Book 1681, Page 501.

EXHIBIT B TO SPECIAL WARRANTY DEED
PERMITTED EXCEPTIONS
Page 2 of 3

41066128_03

AS TO PARCELS II AND III:

1. All items filed of record on or before the date of recordation of this Deed, insofar as the same are now in force and applicable.



CFN 20110392090
 OR BK 24808 PG 1365
 RECORDED 10/21/2011 10:58:33
 Palm Beach County, Florida
 AMT 5,000,000.00
 Doc Stamp 35,000.00
 Sharon R. Bock, CLERK & COMPTROLLER
 Pgs 1365 - 1368; (4pgs)

Prepared by:

Byron T. Fowler, Esq.
 Macy's, Inc.
 7 West Seventh Street
 Cincinnati, OH 45202

Special Warranty Deed

This Special Warranty Deed, dated as of October 19, 2011, is between **Macy's Florida Stores, LLC**, an Ohio limited liability company (successor by merger to Macy's Florida, Inc., an Ohio corporation, formerly known as Burdines, Inc., an Ohio corporation, and successor by merger to Burdines Real Estate, Inc., a Delaware corporation), with an address of 7 West Seventh Street, Cincinnati, Ohio 45202 ("**Grantor**"), and **Palm Beach Mall Holdings LLC**, a Delaware limited liability company with an address c/o New England Development, One Wells Avenue, Newton, Middlesex County, Massachusetts 02459 ("**Grantee**").

Grantor, for and in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration, to it in hand paid by Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to Grantee, its heirs and assigns forever, the following described land, to wit:

See **Exhibit A** attached hereto and made a part hereof.

Parcel Identification Number(s): 74 43 43 18 00 000 5050
 74 43 43 17 03 011 0012
 74 43 43 17 03 011 0013

Subject to (a) zoning and building laws, ordinances and other governmental rules and regulations; (b) public streets and highways; (c) covenants, agreements, reservations, restrictions, servitudes, easements and rights-of-way of record; (d) the lien of real estate taxes and assessments which are not yet due and payable; and (e) any state of facts that would be disclosed by an accurate and complete survey of the premises conveyed herein.

Together with all the tenements, hereditaments and appurtenances thereto belong or in anywise appertaining.

To have and to hold, the same in fee simple forever.

And Grantor hereby covenants with Grantee that Grantor is lawfully seized of said land in fee simple; that Grantor has good right and lawful authority to sell and convey said land; and that Grantor hereby fully warrants the title to said land, and will defend the same against the lawful claims of all persons claiming by, through or under Grantor. The foregoing covenant and warranty shall survive the execution and delivery of this deed.

[signature page follows]

HOLLAND & KNIGHT LLP
 Suite 1200
 515 East Las Olas Boulevard
 Ft. Lauderdale, FL 33301

IN WITNESS WHEREOF, Grantor has executed and delivered this Special Warranty Deed as of the date first above written.

Signed, sealed, and delivered
In the presence of:

MACY'S FLORIDA STORES, LLC
an Ohio limited liability company

By: Kellie Harrison
Kellie Harrison
Print Name

By: [Signature]
Carl L. Goertmoeller
Senior Vice President

By: [Signature]
Elizabeth Rengering
Print Name

ACKNOWLEDGMENT

STATE OF OHIO)
) SS
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this date of October 12, 2011, by Carl L. Goertmoeller, a Senior Vice President of Macy's Florida Stores, LLC, an Ohio limited liability company, on behalf of the limited liability company.

[Signature]
Notary Public in and for the State of Ohio



ELIZABETH J. HAASS
Notary Public, State of Ohio
My Commission Expires Mar 26, 2012

(SEAL)

Exhibit A to Special Warranty Deed

PARCEL 1:

A parcel of land in Section 18, Township 43 South, Range 43 East, Palm Beach County, Florida, more particularly described as follows:

Commence at the Southwest corner of Lot 2, Block 11, of the Plat of Block 11, Flaming Waters Country Club, an addition to the City of West Palm Beach, Florida, according to the plat thereof on file in Plat Book 28, Pages 239 and 240, Public Records of Palm Beach County, Florida; (for the purpose of this description, the South line of said Block 11 is assumed to bear East-West and all bearings mentioned herein are related thereto) thence South 01° 11' 51" West, along the Southerly projection of the West line of Block 11, a distance of 100.02 feet; thence East, parallel to the South line of said Block 11, a distance of 569.25 feet to the point of beginning; and from the **point of beginning** run the following course:

South 45° 00' 00" West, 281.01 feet;
South 45° 00' 00" East 320.69 feet;
East, 148.21 feet;
South 45° 00' 00" East, 75.00 feet;
North 45° 00' 00" East, 85.00 feet;
East, 190.24 feet;
North, 50.00 feet;
East, 115.50 feet;
North, 108.11 feet;
East, 54.07 feet;
North, 270 feet;
East, 70 feet;
North, 335 feet;
East 121.13 feet;
North 57° 00' 00" West, 107 feet;
West, 344.78 feet;
South, 303 feet;
West, 372 feet;
South, 66.17 feet;
South 45° 00' 00" West, 47.84 feet to the point of beginning,
but subject to all legal highways, rights-of-way, easements and/or reservations of record,

SAVE AND EXCEPT FROM PARCEL 1:

A parcel of land in Section 18, Township 43 South, Range 43 East, Palm Beach County, Florida, being more particularly described as follows:

Commencing at the Southwest corner of Lot 2, Block 11, of the Plat of Block 11, Flaming Waters Country Club, according to the Plat thereof as recorded in Plat Book 28, at page 239 of the Public Records of Palm Beach County, Florida; thence S.90°00'00"E., along the South line of said Plat of Block 11, a distance of 600.99 feet; thence S.00°00'00"E., a distance of 66.17 feet; thence S.45°00'00"W., a distance of 366.03 feet; thence S.45°00'00"E., a

Exhibit A to Special Warranty Deed

(continued)

distance of 108.01 feet to a point on the arc of a circular curve to the right whose radius point bears S.44°58'04"E. from said point; thence Easterly and Southerly along the arc of said curve having a radius of 30.10 feet, a central angle of 90°00'00", and an arc length of 47.28 feet to the point of tangency; thence S.44°58'04"E., a distance of 122.01 feet to a point of curvature of a circular curve to the left; thence Southerly and Easterly along the arc of said curve, having a radius of 49.90 feet, a central angle of 31°07'07" and an arc length of 27.10 feet to the **Point of Beginning**;

thence continue along the arc of said curve having a radius of 49.90 feet, a central angle of 02°34'17", and an arc length of 2.24 feet;

thence S78°39'28"E., a distance of 5.78 feet to a point of curvature of a circular curve to the right;

thence Southerly along the arc of said curve having a radius of 50.10 feet, a central angle of 33°41'24", and an arc length of 29.46 feet;

thence S.44°58'04"E, a distance of 13.06 feet;

thence N.90°00'00"W., a distance of 18.09 feet;

thence N.45°00'00"W., a distance of 34.76 feet to the Point of Beginning.

Said lands situate in the City of West Palm Beach, Palm Beach County, Florida.

PARCEL 2:

A parcel of land in Section 18, Township 43 South, Range 43 East, Palm Beach County, Florida, more particularly described as follows:

Commencing at the Southeast corner of Lot 1, Block 11, Flaming Waters Country Club, as recorded in Plat Book 28, Page 240, Public Records of Palm Beach County, Florida, thence Northwest along the arc of a curve concave Southwest having a central angle of 11° 45' 53" a distance of 214.57 feet (this line also being the South right-of-way line of Congress Avenue); thence North 57° 00' 00" West along said South right-of-way line a distance of 202.42 feet to the Point of Beginning of the hereinafter described parcel:

thence continue North 57° 00' 00" West, a distance of 107.01 feet;

thence West a distance of 23.87 feet;

thence South 57° 00' 00" East, a distance of 107.01 feet;

thence East a distance of 23.87 feet to the Point of Beginning.



CFN 20110392087
 OR BK 24808 PG 1348
 RECORDED 10/21/2011 10:58:33
 Palm Beach County, Florida
 AMT 5,500,000.00
 Doc Stamp 38,500.00
 Sharon R. Bock, CLERK & COMPTROLLER
 Pgs 1348 - 1353; (6pgs)

RECORDED
 10/21/2011

This instrument prepared by:
 Richard Glasgow, Esq.
 Dillard's Store Services, Inc.
 1600 Cantrell Road
 Little Rock, AR 72201

SPECIAL WARRANTY DEED

THIS INDENTURE, made October 19, 2011, between DILLARD'S, INC., a Delaware corporation, whose address is 1600 Cantrell Road, Little Rock, Arkansas, 72205, Attn: Vice President, Real Estate ("Grantor") and PALM BEACH MALL HOLDINGS LLC, a Delaware limited liability company, whose address is c/o New England Development, One Wells Avenue, Newton, Massachusetts 02459 ("Grantee")

WITNESSETH

That Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations, in hand paid by Grantee, the receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto Grantee, its heirs and assigns, those certain lands situate, lying and being in the County of Palm Beach, State of Florida, and described on attached Exhibit A.

Parcel Identification Number(s) 74-43-43-18-00-000-5110

Together with all the tenements, easements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the reversion or reversions, remainder or remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the same unto Grantee and its successors and assigns in fee simple forever.

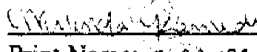
GRANTOR HEREBY COVENANTS with Grantee that GRANTOR is lawfully seized of the Property in fee simple, that Grantor has good right and lawful authority to convey the Property, and Grantor hereby warrants the title to the Property and will defend the same against the lawful claims of all persons claiming by, through, or under the said Grantor, but against none other, subject to the matters set forth in Exhibit B attached. The foregoing covenant shall survive the execution and delivery of this Deed.

HOLLAND & KNIGHT LLP
 Suite 1200
 515 East Las Olas Boulevard
 Ft. Lauderdale, FL 33301

IN WITNESS WHEREOF, Grantor has hereunto set his hand and seal the day and year first above written.


Signed, sealed and delivered
in the presence of:


Print Name: CHRISTY GRIMES


Print Name: MIRANDA KENNEDY

STATE OF ARKANSAS)
) ss:
COUNTY OF PULASKI)

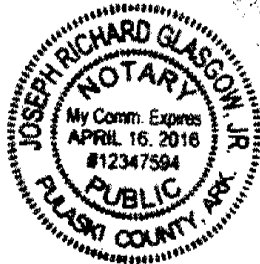
GRANTOR:

DILLARD'S, INC.
By: 
James W. Cherry, Jr.
Vice President



On this 12th day of October, 2011, before me, the undersigned Notary Public in and for said state, personally appeared James W. Cherry, Jr., to me personally known, who, being by me duly sworn did say that he is a vice president of DILLARD'S, INC. and that this instrument was signed on behalf of said corporation by authority of its board of directors, and said person acknowledged this instrument to be the free act and deed of said corporation, and that said corporation has no corporate seal.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year last above written.



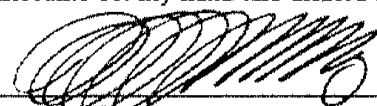

Notary Public
Printed Name: JOSEPH RICHARD GLASGOW, JR.

EXHIBIT A

PARCEL 1

A parcel of land in Section 18, Township 43 South, Range 43 East, Palm Beach County, Florida, being more particularly described as follows:

Commencing at the Southwest corner of Lot 2, Block 11, of the Plat of Block 11, Flaming Waters Country Club, according to the plat thereof as recorded in Plat Book 28, at Page 239 of the Public Records of Palm Beach County, Florida; thence South 90 degrees 00 minutes 00 seconds East, along the South line of said Plat of Block 11, a distance of 600.99 feet; thence South 00 degrees 00 minutes 00 seconds East, a distance of 66.17 feet; thence South 45 degrees 00 minutes 00 seconds West, a distance of 366.03 feet; thence, South 45 degrees 00 minutes 00 seconds East, a distance of 108.01 feet to the Point of Beginning; said point being on the arc of a circular curve to the right whose radius point bears South 44 degrees 58 minutes 04 seconds East from said point; thence Easterly and Southerly along the arc of said curve, having a radius of 30.10 feet, a central angle of 90 degrees 00 minutes 00 seconds, and an arc length of 47.28 feet to the point of tangency; thence South 44 degrees 58 minutes 04 seconds East, a distance of 122.01 feet to a point of curvature of a circular curve to the left; thence Southerly and Easterly along the arc of said curve, having a radius of 49.90 feet, a central angle of 33 degrees 41 minutes 24 seconds, and an arc length of 29.34 feet to a point of tangency; thence South 78 degrees 39 minutes 28 seconds East, a distance of 5.78 feet to a point of curvature of a circular curve to the right; thence continue Southerly and Easterly along the arc of said curve, having a radius of 50.10 feet, a central angle of 33 degrees 41 minutes 24 seconds, and an arc length of 29.46 feet; thence South 44 degrees 58 minutes 04 seconds East, a distance of 13.06 feet; thence South 90 degrees 00 minutes 00 seconds East, a distance of 130.11 feet; thence South 45 degrees 00 minutes 00 seconds East, a distance of 89.75 feet; thence South 44 degrees 59 minutes 57 seconds West, a distance of 64.66 feet; thence North 44 degrees 21 minutes 49 seconds West, a distance of 11.91 feet; thence South 45 degrees 01 minutes 59 seconds West, a distance of 57.57 feet; thence South 44 degrees 58 minutes 04 seconds East, a distance of 85.63 feet; thence South 45 degrees 01 minutes 56 seconds West, a distance of 232.62 feet; thence North 44 degrees 58 minutes 04 seconds West, a distance of 103.66 feet; thence South 45 degrees 01 minutes 56 seconds West, a distance of 49.82 feet to a point of curvature of a circular curve to the right; thence Westerly and Northerly, along the arc of said curve, having a radius of 5.73 feet, a central angle of 90 degrees 00 minutes 00 seconds, and an arc length of 8.99 feet to the point of tangency; thence North 44 degrees 58 minutes 04 seconds West, a distance of 181.96 feet; thence North 45 degrees 01 minutes 56 seconds East, a distance of 31.13 feet; thence North 44 degrees 58 minutes 04 seconds West, a distance of 159.45 feet to a point of curvature of a circular curve to the right; thence Northerly and Easterly, along the arc of said curve, having a radius of 30.10 feet, a central angle of 90 degrees 00 minutes 00 seconds, and an arc length of 47.28 feet to the point of tangency; thence North 45 degrees 01 minutes 56 seconds East, a distance of 206.83 feet to the Point of Beginning.

Said lands situate in The City of West Palm Beach, Palm Beach County, Florida.

PARCEL II

Together with those non-exclusive rights and easements constituting rights in real property created, defined and limited by that certain Restated and Amended Operating Agreement and Memorandum of Operating Agreement by and between Burdines, Inc., an Ohio corporation, Dillard's Inc., a Delaware corporation, Simon Property Group, L.P., a Delaware limited partnership, and Simon Palm Beach, L.L.C., a Delaware limited liability company, dated November 22, 1999 and recorded November 30, 1999 in Official Record Book 11478, Page 1418, all of the Public Records of Palm Beach County, Florida.

PARCEL III

Together with those easement rights as set forth in Parking and Access Easement Agreement by and between Simon Property Group, L.P., a Delaware limited partnership, Simon Palm Beach, L.L.C., a Delaware limited liability company, and Dillard's Inc, a Delaware corporation, dated November 22, 1999, filed November 30, 1999 in Official Records Book 11478, page 1462, and Corrective Parking and Access Easement Agreement filed January 27, 2000 in Official Records Book 11579, page 1451, of the Public Records of Palm Beach County, Florida.

Exhibit B to
Special Warranty Deed

Permitted Exceptions

AS TO PARCEL I:

1. All real estate taxes not yet due and payable.
2. Covenant in perpetuity running with the lands herein against exploration, mining or drilling for gas, oil or minerals, unless released by the City of West Palm Beach or its successor municipalities, as contained in Special Warranty Deed from the City of West Palm Beach, a Florida municipal corporation, to Perini Land and Development Company, a Delaware corporation, dated September 7, 1965, filed September 21, 1965 in Official Record Book 1264, Page 366, of the Public Records of Palm Beach County, Florida.
3. Easement executed by Palm Beach Mall, Inc. and granted to Florida Power & Light Company, dated October 16, 1967, filed December 28, 1967 in Official Record Book 1631, Page 921, amended by Modification of Easement as to Developer Tract by and between Simon Property Group, L.P., a Delaware limited partnership, Simon Palm Beach, LLC, a Delaware limited liability company, and Florida Power & Light Company, a Florida corporation, dated June 11, 1999, filed June 17, 1999 in Official Record Book 11178, Page 572, and amended by Modification of Easement as to Burdines Tract, by and between Burdines, Inc., an Ohio corporation and Florida Power & Light Company, a Florida corporation, dated June 11, 1999, filed June 17, 1999 in Official Record Book 11178, Page 577, all of the Public Records of Palm Beach County, Florida.
4. Restated and Amended Operating Agreement and Memorandum of Operating Agreement, by and between Burdine's, Inc., an Ohio corporation, Dillard's, Inc., a Delaware corporation, Simon Property Group, L.P., a Delaware limited partnership and Simon Palm Beach LLC., a Delaware limited liability company, dated November 22, 1999, filed November 30, 1999 in Official Record Book 11478, Page 1418, of the Public Records of Palm Beach County, Florida.
5. Minor Subdivision Plat Affidavit by and between Palm Beach Mall, Inc., a Florida corporation, Federated Department Stores, Inc., a Delaware corporation and Corporate Property Investors, a Massachusetts business trust, filed July 23, 1987 in Official Record Book 5363, Page 261, of the Public Records of Palm Beach County, Florida.
6. Parking and Access Easement Agreement by and between Simon Property Group, L.P., a Delaware limited partnership, Simon Palm Beach, L.L.C., a Delaware limited liability company, and Dillard's Inc, a Delaware corporation dated November 22, 1999, filed November 30, 1999 in Official Records Book 11478, page 1462, and Corrective Parking and Access Easement Agreement filed January 27, 2000 in Official Records Book 11579, page 1451, of the Public Records of Palm Beach County, Florida.

This instrument was prepared by **W/C #70**
and should be returned to:

**BRENT G. WOLMER, ESQUIRE
COHEN, NORRIS, WOLMER ET AL**
712 US Highway One, Ste. 400
North Palm Beach, FL 33408

Folio No: 73-42-43-27-05-025-0070

Purchase Price: \$2,600,000.00



CFN 20120517499
OR BK 25682 PG 0820
RECORDED 12/28/2012 15:10:36
Palm Beach County, Florida
AMT 2,600,000.00
Doc Stamp 18,200.00
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0820 - 821; (2pgs)

SPECIAL WARRANTY DEED

THIS INDENTURE, made this 19 day of December, 2012, between **SR 7, INC., a Florida corporation**, whose mailing address is: 844 Harbour Isles Place, North Palm Beach, FL 33410, grantor*, **CHARTER PB WELLINGTON, LLC, a Florida limited liability company**, whose mailing address is: 20900 ne 30 Avenue, Ste. 311, Aventura, FL 33180, grantee*.

WITNESSETH that said grantor, for and in consideration of the sum of Ten (\$10.00) Dollars, and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in **Palm Beach County, Florida**, to-wit:

Tract 7, Block 25, THE PALM BEACH FARMS COMPANY PLAT NO. 3, according to the Plat thereof on file in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida, recorded in Plat Book 2, Pages 45 through 54, LESS the North 28 feet thereof.

Subject To:

1. Taxes and assessments for the year 2013 and subsequent years.
2. All conditions, covenants, agreements, restrictions, limitations, easements and other matters of record.
3. All applicable zoning laws, building ordinances and land use regulations.

Together with the easements, privileges, tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and To Hold, the same in fee simple forever.

And said grantor does hereby covenant with grantee that grantor is lawfully seized of the Property in fee simple; that grantor has good right and lawful authority to sell and convey the Property; and grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons claiming by, through or under grantor.

**Grantor" and "grantee" are used for singular or plural, as context requires.

SIGNATURE OF GRANTOR ON FOLLOWING PAGE

**CASEY CIKLIN/ aza
WILL CALL BOX #69**

CFN 20120269508
OR BK 25317 PG 0783
RECORDED 07/11/2012 11:24:10
Palm Beach County, Florida
AMT 4,575,000.00
Doc Stamp 32,025.00
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0783 - 787; (5pgs)

Prepared by and return to:

Will Call No.: 69/aza

Gregory S. Kino, Esq.
CASEY CIKLIN, ET AL
515 North Flagler Drive 20th Floor
West Palm Beach, FL 33401

File Number: P1096-49637

[Space Above This Line For Recording Data]

Special Warranty Deed

This Special Warranty Deed made as of the 10th day of July, 2012 between PALM BEACH ATLANTIC UNIVERSITY, INC., a Florida not for profit corporation whose post office address is 901 South Flagler Drive, West Palm Beach, FL 33401, grantor, and SOUTHERN INVESTMENTS PARTNERSHIP, LP, a Florida limited partnership whose post office address is 6761 West Indiantown Road, #29, Jupiter, FL 33458, grantee:

(Whenever used herein the terms grantor and grantee include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Palm Beach County, Florida, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO

Parcel Identification Numbers: 00-42-43-27-05-005-0400
00-42-43-27-05-005-0410
00-42-43-27-05-005-0420

SUBJECT TO: PERMITTED EXCEPTIONS AS DESCRIBED ON ATTACHED EXHIBIT "B"

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under grantors.

DoubleTimee

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Gregory S. King
Witness Name: Gregory S. King

PALM BEACH ATLANTIC UNIVERSITY, INC., a Florida not for profit corporation

By: *William M. Fleming, Jr.*
William M. Fleming, Jr., President

Ann Z. Anders
Witness Name: Ann Z. Anders

State of Florida
County of Palm Beach

The foregoing instrument was acknowledged before me this 10 day of July, 2012 by William M. Fleming, Jr., President of PALM BEACH ATLANTIC UNIVERSITY, INC., a Florida not for profit corporation, on behalf of the corporation. He is personally known to me or has produced a driver's license as identification.

[Notary Seal]

Gregory S. King
Notary Public

Printed Name: _____

My Commission Expires: _____



Exhibit A

A PARCEL OF LAND SITUATE IN SECTION 34, TOWNSHIP 43 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1:

TRACTS 40, 41, 60 AND 61, BLOCK 5, THE PALM BEACH FARMS CO. PLAT NO. 3, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 2, PAGES 45 TO 54, INCLUSIVE.

LESS AND EXCEPT THE FOLLOWING: (A) THE RIGHT-OF-WAY FOR SOUTHERN BOULEVARD AS CURRENTLY LAID OUT AND IN USE, AND (B) PARCEL NO. 133 CONVEYED TO FLORIDA DEPARTMENT OF TRANSPORTATION BY WARRANTY DEED DATED MAY 7, 2002 AND RECORDED IN OFFICIAL RECORDS BOOK 13718, PAGE 600, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: A PORTION OF TRACT 61, BLOCK 5, THE PALM BEACH FARMS CO. PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGE 45 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID TRACT 61; THENCE SOUTH 01°00' 25" EAST ALONG THE WEST LINE OF SAID TRACT 61, A DISTANCE OF 254.577 METERS (835.22 FEET) TO THE POINT OF BEGINNING AND THE BEGINNING OF A CURVE CONCAVE NORTHERLY, HAVING A CHORD BEARING OF SOUTH 87° 13' 14" EAST; THENCE EASTERLY ALONG SAID CURVE, HAVING A RADIUS OF 1896.400 METERS (6221.77 FEET), THROUGH A CENTRAL ANGLE OF 02° 41' 49" AN ARC LENGTH OF 89.285 METERS (292.86 FEET) TO THE END OF SAID CURVE; THENCE SOUTH 88° 34' 09" EAST, A DISTANCE OF 74.652 METERS (244.92 FEET) TO A POINT ON THE EAST LINE OF SAID TRACT 61; THENCE SOUTH 01° 28' 02" WEST ALONG SAID EAST TRACT LINE, A DISTANCE OF 26.481 METERS (86.88 FEET) TO A POINT ON THE NORTHERLY EXISTING RIGHT-OF-WAY LINE FOR STATE ROAD 80 (SOUTHERN BOULEVARD), ACCORDING TO THE FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MAP FOR SECTION 93120-2544; THENCE NORTH 88° 34' 07" WEST ALONG SAID NORTHERLY EXISTING RIGHT-OF-WAY LINE, A DISTANCE OF 162.650 METERS (533.63 FEET) TO A POINT ON THE WEST LINE OF SAID TRACT 61; THENCE NORTH 01° 00' 25" WEST ALONG SAID WEST TRACT LINE, A DISTANCE OF 28.606 METERS (93.85 FEET) TO THE POINT OF BEGINNING.

PARCEL 1A:

TOGETHER WITH A PORTION OF A PLATTED 30 FOOT ROADWAY LYING BETWEEN TRACTS 60 AND 61, BLOCK 5, PLAT OF THE PALM BEACH FARMS CO. PLAT NO. 3, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGE 45, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

PARCEL 2:

TRACTS 42 AND 59, BLOCK 5, THE PALM BEACH FARMS CO. PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGE 45, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

LESS AND EXCEPT THE NORTH 48.18 FEET OF SAID TRACT 42.

AND

LESS AND EXCEPT THAT PORTION OF TRACT 59, BLOCK 5, AS DESCRIBED IN THAT CERTAIN ORDER OF TAKING RECORDED IN OFFICIAL RECORDS BOOK 2822, PAGE 1048, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS:

PARCEL 13:

File Number: P1096-49637

DoubleTimes

Exhibit A

(Continued)

THE NORTH 30 FEET OF THE SOUTH 57 FEET OF THE WEST 45 FEET OF TRACT 59, BLOCK 5, THE PALM BEACH FARMS CO. PLAT NO. 3, RECORDED IN PLAT BOOK 2, PAGE 45, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

AND

PARCEL 13A:

THE NORTH 50 FEET OF THE SOUTH 67 FEET OF THE WEST 55 FEET, LESS THE NORTH 30 FEET OF THE SOUTH 57 FEET OF THE WEST 45 FEET OF TRACT 59, BLOCK 5, THE PALM BEACH FARMS CO. PLAT NO. 3, RECORDED IN PLAT BOOK 2, PAGE 45, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

AND ALSO LESS AND EXCEPT:

THE WEST 15 FEET OF TRACTS 42 AND 59, BLOCK 5, THE PALM BEACH FARMS CO. PLAT NO. 3, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGE 45, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA. LESS THAT PORTION LYING WITHIN THAT CERTAIN ORDER OF TAKING RECORDED IN OFFICIAL RECORDS BOOK 2822, PAGE 1048, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND LESS THE NORTH 48.18 FEET OF SAID TRACT 42.

Exhibit B

PERMITTED EXCEPTIONS

1. General Real Estate taxes for the year of Closing and subsequent years, which are not yet due and payable.
2. Building and zoning ordinances, restrictions, prohibitions, regulations and other requirements imposed by governmental authority.
3. All matters contained on the Plat of The Palm Beach Farms Co. Plat No. 3, as recorded in Plat Book 2, Page 45, Public Records of Palm Beach County, Florida.
4. Reservations contained in Deeds from The Palm Beach Farms Company recorded in Deed Book 55, Page 43 (Tract 40), Deed Book 49, Page 439 (Tract 41), Deed Book 53, Page 87 (Tract 42), Deed Book 26, Page 174 (Tract 59), Deed Book 95, Page 142 and Deed Book 169, Page 492 (Tract 60) and Deed Book 106, Page 205 (Tract 61), Public Records of Palm Beach County, Florida.
5. Reservations in favor of the State of Florida, as set forth in the Deed from the Trustees of the Internal Improvement Fund of the State of Florida, recorded in Deed Book 646, Page 303, Public Records of Palm Beach County, Florida. (Tracts 40 and 41)
6. Easement Deed in favor of Lake Worth Drainage District recorded in O.R. Book 4924, Page 1170, Public Records of Palm Beach County, Florida.
7. Perpetual Easement in favor of the State of Florida Department of Transportation recorded in O.R. Book 13718, Page 598, Public Records of Palm Beach County, Florida.
8. Potable Water and Wastewater Development Agreement recorded in O.R. Book 13811, Page 683, Public Records of Palm Beach County, Florida.
9. Resolution No. R-2012-0198 confirming special assessments recorded in O.R. Book 24993, Page 577, Public Records of Palm Beach County, Florida.

PREPARED BY AND RETURN TO:
Margaret Jackson, Contract Analyst
PALM BEACH COUNTY
PROPERTY & REAL ESTATE MANAGEMENT DIVISION
2633 Vista Parkway
West Palm Beach, FL 33411-5685

PCN: 09-42-43-14-00-300-5010
Closing Date: _____
Purchase Price: \$1,005,429.00



CFN 20130548829
UR BK 26532 PG 0808
RECORDED 12/30/2013 13:30:59

R2013 1735
COUNTY DEED

Palm Beach County, Florida
AMT 1,005,429.00
Doc Stamp 7,838.50
Sharon R. Bock, CLERK & COMPTROLLER

THIS COUNTY DEED, made DEC 03 2013, by PALM BEACH COUNTY, a political subdivision of the State of Florida, whose legal mailing address is 301 North Olive Avenue, West Palm Beach, Florida, 33401-4791, "County", SOUTHERN INVESTMENTS PARTNERSHIP, L.P., a Florida limited partnership, whose legal mailing address is 6761 W. Indiantown Road, Suite 29, Jupiter, FL 33458, "Southern Investments".

WITNESSETH:

That County, for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) to it in hand paid by Southern Investments, the receipt whereof is hereby acknowledged, has granted, bargained and sold to Southern Investments, its successors and assigns forever, the following described land lying and being in Palm Beach County, Florida:

See Exhibit "A" attached hereto and made a part hereof.

Reserving, however, unto County, its successors and assigns, County's interest in, and title in and to all the phosphate, minerals, and metals that are or may be in, on, or under the said land and interest in all petroleum that is or may be in, on, or under said land. The aforementioned reservation of phosphate, mineral, metals and petroleum rights shall not include, and County hereby expressly releases, any and all rights of entry and rights of exploration relating to such phosphate, mineral, metals and petroleum rights.

IN WITNESS WHEREOF, County has caused these presents to be executed in its name by its Board of County Commissioners acting by the Chair or Vice Chair of said Board, the day and year aforesaid.

ATTEST:

SHARON R. BOCK
CLERK & COMPTROLLER

By: 
Deputy Clerk

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: 
Priscilla A. Taylor, Chair Mayor

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

(OFFICIAL SEAL)

By: 
Assistant County Attorney

G:\PRM\Dev\Open Projects\CGI-As\verhul Linear Park\FB 2013\County Deed 061.docx

EXHIBIT "A"
to COUNTY DEED

The 210 foot strip of land East of Block 5, the Palm Beach Farms Co., Plat No. 3, Plat Book 2, Pages 45-54, Public Records of Palm Beach County, Florida, being the East 210 feet of Section 34, Township 43 South, Range 42 East, Palm Beach County, Florida, lying South of the Lake Worth Drainage District's L-4 Canal Right-of-Way and North of State Road 80 Right-of-Way.

Also described as:

A parcel of land lying in the Southeast Quarter of Section 34, Township 43 South, Range 42 East, Palm Beach County, Florida, being more particularly described as follows:

Bounded on the South by the North line of State Road 80 (Southern Boulevard), Parcel No. 164 as described in Official Record Book 13737, Page 1779; bounded on the West by the East line of Tracts 41, 60, 61, Block 5, as shown on the plat of Palm Beach Farms Co. Plat No. 3, recorded in Plat Book 2, Pages 45 through 54; bounded on the North by the South line of Tract "E", as shown on the plat of Boys and Girls Club-Haverhill, recorded in Plat Book 113, Pages 87 through 89, and bounded on the East by the East line of said Section 34. Said Official Record Book and Plat Book are in the Public Records of Palm Beach County, Florida.



WC - 70

kh

97445 040

THIS INSTRUMENT PREPARED BY AND RETURN TO:

Cohen, Norris, Scherer, Weinberger & Wolner
712 U.S. Highway One, Suite 409
North Palm Beach, FL 33468
Property Appraisers Parcel Identification (Folio) Number:
00-42-43-27-00-000-1660

CFN 20070200288
OR BK 21663 PG 0214
RECORDED 04/25/2007 10:07:06
Palm Beach County, Florida
AMT 3,500,000.00
Doc Stamp 24,500.00
Sharon R. Bock, CLERK & CONTROLLER
Pg# 0214 - 216; (3pgs)

SPACE ABOVE THIS LINE FOR RECORDING DATA

THIS WARRANTY DEED, made the 6th day of April, 2007 by SOUTHERN CAPITAL RESOURCE PARTNERS, LLC, A DISSOLVED FLORIDA LIMITED LIABILITY COMPANY, whose post office address is 1500 North Florida Mangrove Road, Suite 17, West Palm Beach, FL 33409 herein called the Grantor, to WEST PALM HOSPITALITY, LLC, A FLORIDA LIMITED LIABILITY COMPANY, whose post office address is 155 SW Peacock Boulevard, Port St. Lucie, FL 34986, hereinafter called the Grantee:

(Where used herein the terms "Grantor" and "Grantee" include all the parties to this instrument and their heirs, legal representatives and assigns of individuals, and the successors and assigns of corporate entities)

W I T N E S S E T H: That the Grantor, for and in consideration of the sum of TEN AND 00/100'S (\$10.00) Dollars and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, alien, remises, releases, conveys and confirms unto the Grantee all that certain land situate in PALM BEACH County, State of Florida, viz.:

PARCEL 1: THAT PART OF THE NORTH 02 OF THE NORTHEAST 1/4 OF SECTION 27, TOWNSHIP 43 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, LYING SOUTH OF OKEFCHOBEE ROAD AND BEING THE SOUTHERLY 510' OF THE NORTHERLY 590' OF THE WESTERLY 620.38' OF THE EASTERLY 1260.38' THEREOF, LESS THE SOUTH 5 FEET OF THE NORTH 80 FEET OF THE WESTERLY 620.38 FEET OF THE EASTERLY 1260.38 FEET OF SECTION 27, TOWNSHIP 43 SOUTH, RANGE 42 EAST, AS CONVEYED IN RIGHT-OF-WAY DEED RECORDED IN O.R. 4680, PAGE 1569, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA

PARCEL 2: TOGETHER WITH THAT CERTAIN EASEMENT FOR INGRESS AND EGRESS CREATED BY GRANT IN WARRANTY DEED DATED JULY 10, 1978 FROM HARVEY E. SYKES, SR. AND MILDRED M. SYKES, HIS WIFE TO RAMBLEWOOD PLAZA, A FLORIDA JOINT VENTURE, AS RECORDED IN O.R. BOOK 2890, PAGE 798, PALM BEACH COUNTY, FLORIDA, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

SUBJECT TO easements, restrictions and reservations of record and to taxes for the year 2007 and thereafter.

TOGETHER, with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND, the Grantor hereby covenants with said Grantee that the Grantor is lawfully seized of said land in fee simple; that the Grantor has good right and lawful authority to sell and convey said land, and hereby warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to December 31, 2006.

Folio No. 97615040

IN WITNESS WHEREOF, the said Grantor has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in the presence of:

SOUTHERN CAPITAL RESOURCE PARTNERS, LLC
A Dissolved Florida limited liability company

Karen C. Hodge
Witness #1 Signature

By: [Signature]
Domingo Castro, Managing Member

Karen C. Hodge
Witness #1 Printed Name

Joyce Brinkous
Witness #2 Signature

Joyce Brinkous
Witness #2 Printed Name

Witness #1 Signature

By: _____
Norge Arana, Managing Member

Witness #1 Printed Name

Witness #2 Signature

Witness #2 Printed Name

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 6th day of April, 2007 by Domingo Castro, as Managing Member of SOUTHERN CAPITAL RESOURCE PARTNERS, a dissolved Florida limited liability company, who is personally known to me or has produced _____ as identification.

SEAL



Karen C. Hodge
Notary Public

Karen C. Hodge
Printed Notary Name

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this _____ day of April, 2007 by Norge Arana, as Managing Member of SOUTHERN CAPITAL RESOURCE PARTNERS, a dissolved limited liability company, who is personally known to me or has produced _____ as identification.

SEAL

Notary Public

Printed Notary Name

File No. 07445943

IN WITNESS WHEREOF, the said Grantor has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in the presence of:

SOUTHERN CAPITAL RESOURCE PARTNERS, LLC
A Dissolved Florida limited liability company

Witness #1 Signature

By: Domingo Castro, Managing Member

Witness #1 Printed Name

Witness #2 Signature

Witness #2 Printed Name

Deanna L. Dolan
Witness #1 Signature

By: Norge Arnaz, Managing Member

Deanna L. Dolan
Witness #1 Printed Name

Karen C. Hodge
Witness #2 Signature

Karen C. Hodge
Witness #2 Printed Name

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this _____ day of April, 2007 by Domingo Castro, as Managing Member of SOUTHERN CAPITAL RESOURCE PARTNERS, a dissolved Florida limited liability company, who is personally known to me or has produced _____ as identification.

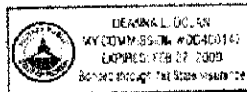
SEAL

Notary Public

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 6 day of April, 2007 by Norge Arnaz, as Managing Member of SOUTHERN CAPITAL RESOURCE PARTNERS, a dissolved limited liability company, who is personally known to me or has produced FL Drivers License as identification.

SEAL



Deanna L. Dolan
Notary Public



WC
#72

CFN 20130542352
CR BK 26522 PG 0102
RECORDED 12/23/2013 12:50:53
Palm Beach County, Florida
AMT 14,700,000.00
Doc Stamp 102,900.00
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0102 - 112; (11pgs)

PREPARED BY AND RETURN TO:
H. William Perry, Esq.
Gunster, Yoakley & Stewart, P.A.
777 S. Flagler Drive, Suite 500
West Palm Beach, FL 33401
Will Call Box 22

Tax ID No.: 52-42-41-26-00-000-1010 (Portion)

SPECIAL WARRANTY DEED

THIS INDENTURE, executed this 23rd day of December 2013, by THE LESTER FAMILY INVESTMENTS L.P., a Delaware limited partnership, as to an undivided 1/9 interest, RICHARD THALL, as to an undivided 1/6 interest, ROBERT THALL, as to an undivided 1/6 interest, PAUL H. BRIGER, as to an undivided 1/9 interest, PETER L. BRIGER, as to an undivided 1/9 interest, and PATRICIA B. LESTER and HOWARD LESTER, as Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, as to an undivided 1/3 interest (collectively, "Grantor"), having an address of 44 Coconut Row, Suite T1-T2, Palm Beach, Florida, 33480, in favor of HEIGHTS BIOTECH INVESTMENTS LLC, a Florida limited liability company ("Grantee"), having an address of 701 South Olive Ave., Suite 104, West Palm Beach, Florida 33401.

WITNESSETH:

Grantor, in consideration of the premises and the sum of TEN AND NO/100 DOLLARS (\$10.00) in hand paid, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms to Grantee, and Grantee's successors and assigns forever, that certain real property situate in Palm Beach County, Florida, more particularly described as follows (the "Property"):

SEE EXHIBIT "A" ATTACHED HERETO.

TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, including all oil rights and mineral rights, and all the estate, right, title, interest, lien, equity and claim whatsoever of Grantor, either in law or equity, to the only proper use, benefit and behalf of Grantee forever.

SUBJECT TO the following:

1. Taxes and assessments for the year 2013 and all subsequent years;
2. All applicable governmental, zoning and land use ordinances, restrictions, and prohibitions and other requirements imposed by governmental authority;
3. Agreements and easements of record;

WPB_ACTIVE 5677226.2

4. Parties in possession pursuant to leases;
5. Easements, claims of easements, boundary line disputes, overlaps, encroachments or other matters not shown by the Public Records which would be disclosed by an accurate survey of the Property; and
6. Further subject to those matters described on Exhibit "B" attached hereto.

AND GRANTOR covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that it has good right and lawful authority to sell and convey the Property; and that it hereby fully warrants the title to said Property and will defend the same against the lawful claims of all persons whomsoever, claiming by, through or under Grantor. The foregoing warranty of Grantor only applies with respect to each Grantor to claims and other matters arising during the period of time that such Grantor has held title to the Property.

GRANTOR, ROBERT THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 10533 Davis Road, West Winfield, NY 13491.

GRANTOR, RICHARD THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 165 Feeks Lane, Lattingtown, NY 11560.

GRANTOR, PETER L. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 25 Field Point Circle, Greenwich, CT 06830.

GRANTOR, PAUL H. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 51 Commonwealth Avenue, Boston, MA 02116.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned has set his hand and seal on behalf of Grantor on the day and year first above written.

Signed, sealed and delivered in the presence of:

GRANTOR:

David Cloutier
Print Name: David Cloutier
Arsenio Lobo
Print Name: ARSENIO LOBO

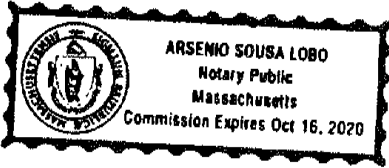
Paul H. Briger
Paul H. Briger

STATE OF MASSACHUSETTS)
)ss.
COUNTY OF SUFFOLK)

The foregoing instrument was acknowledged before me this 18TH day of 2013 2013, by Paul H. Briger, who is personally known to me or has produced US PASSPORT as identification.

(Notary Seal)

Notary Public-State of MASSACHUSETTS
Print Name: ARSENIO LOBO
My Commission No: 8930923
My Commission expires: OCTOBER 16, 2020



This

Erika Soldano
Print Name: Erika Soldano

Peter L. Briger
Peter L. Briger

Johanna Velazquez
Print Name: Johanna Velazquez

Notary Public
State of New York
Commission Expires 06/02/15

STATE OF NEW YORK)
COUNTY OF NEW YORK)ss.

The foregoing instrument was acknowledged before me this 13 day of DECEMBER 2013, by Peter L. Briger, who is personally known to me or has produced _____ as identification.

(Notary Seal)

Joy Wiltermuth
Notary Public-State of New York
Print Name: Joy Wiltermuth
My Commission No: 01WI-6093589
My Commission expires: June 02, 2015

This is a
Notary Seal

Print Name: Jeffrey S. Riegler

Print Name: Miguel Castillo

Richard D. Thall
Richard Thall

STATE OF New York)

COUNTY OF Nassau) ss.

The foregoing instrument was acknowledged before me this 18th day of December 2013, by Richard Thall, who is personally known to me or has produced _____ as identification.

(Notary Seal)

Jeffrey S. Riegler
Notary Public-State of NY
Print Name: Jeffrey S. Riegler
My Commission No: _____
My Commission expires: _____

This

Gail B Smith
Print Name: GAIL B SMITH

Robert Thall
Robert Thall

Kathleen A Evans
Print Name: Kathleen A. Evans

STATE OF New York)
COUNTY OF Herkimer) ss.

The foregoing instrument was acknowledged before me this 18th day of December 2013, by Robert Thall, who is personally known to me or has produced as identification.

(Notary Seal)

GAIL B SMITH
Notary Public - State of New York
No. 01SM4861265
Qualified in Herkimer County
My Commission Expires June 16, 2014

Gail B Smith
Notary Public-State of _____
Print Name: _____
My Commission No: _____
My Commission expires: _____

This is Not a Certified Copy

THE LESTER FAMILY INVESTMENTS,
L.P., a Delaware limited partnership

By: PHL FINANCIAL CONSULTING
CO., INC., its general partner

Charles A. Lubitz
Print Name: Charles A. Lubitz

By: Prescott Lester
Prescott Lester, President

Ann Z. Anders
Print Name: Ann Z. Anders

STATE OF FLORIDA)
)ss.
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Prescott Lester, the President of PHL Financial Consulting Co., Inc., the general partner of THE LESTER FAMILY INVESTMENTS, L.P., a Delaware limited partnership, on behalf of the limited partnership. He is personally known to me or has produced _____ as identification.

(Notary Seal)



Ann Z. Anders
Notary Public-State of Florida
Print Name: Ann Z. Anders
My Commission No: DD 987672
My Commission expires: 6/13/2014

This is Not a Certified Copy

THE DAVID MINKIN FLORIDA
REALTY TRUST DATED
DECEMBER 12, 1996

Charles A. Dubitz
Print Name: Charles A. Dubitz

Patricia B. Lester
Patricia B. Lester, Co-Trustee

Ann Z. Anders
Print Name: Ann Z. Anders

Howard Lester
Howard Lester, Co-Trustee

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Patricia B. Lester and Howard Lester, Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, on behalf of the Trust. They are personally known to me or have produced _____ as identification.

Ann Z. Anders

Notary Public-State of Florida
Print Name: Ann Z. Anders
My Commission No: DD 987672
My Commission expires: 6/13/2014

(Notary Seal)



EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

A PARCEL OF LAND BEING A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26; THENCE NORTH $89^{\circ}55'45''$ EAST ALONG THE NORTH LINE OF SAID SECTION 26, A DISTANCE OF 803.24 FEET; THENCE SOUTH $00^{\circ}04'15''$ EAST, A DISTANCE OF 117.93 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF DONALD ROSS ROAD AS DESCRIBED IN THE ORDER OF TAKING AS PARCEL 280 A(1), RECORDED IN OFFICIAL RECORD BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, SAID POINT BEING THE POINT OF BEGINNING; THENCE NORTH $89^{\circ}55'36''$ EAST, A DISTANCE OF 301.88 FEET; THENCE NORTH $87^{\circ}37'27''$ EAST, A DISTANCE OF 296.35 FEET; THENCE NORTH $89^{\circ}55'45''$ EAST, A DISTANCE OF 229.31 FEET (THE PRECEDING THREE (3) COURSES BEING COINCIDENT WITH SAID SOUTH RIGHT-OF-WAY LINE OF DONALD ROSS ROAD); THENCE SOUTH $45^{\circ}04'14''$ EAST, A DISTANCE OF 57.15 FEET; THENCE SOUTH $02^{\circ}19'52''$ EAST, A DISTANCE OF 156.36 FEET; THENCE SOUTH $00^{\circ}04'14''$ EAST, A DISTANCE OF 207.41 FEET; THENCE SOUTH $00^{\circ}46'47''$ EAST, A DISTANCE OF 472.39 FEET; THENCE SOUTH $00^{\circ}04'14''$ EAST, A DISTANCE OF 297.58 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 2486.96 FEET AND A CENTRAL ANGLE OF $43^{\circ}31'34''$; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 1889.28 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 20.00 FEET AND A CENTRAL ANGLE OF $52^{\circ}41'49''$; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 18.39 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 130.00 FEET AND A CENTRAL ANGLE OF $196^{\circ}18'04''$; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 445.39 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 20.00 FEET AND A CENTRAL ANGLE OF $53^{\circ}07'49''$; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 18.55 FEET TO A POINT OF TANGENCY; THENCE NORTH $45^{\circ}55'46''$ EAST, A DISTANCE OF 1034.53 FEET; THENCE SOUTH $89^{\circ}04'14''$ EAST, A DISTANCE OF 74.14 FEET; THENCE SOUTH $44^{\circ}04'14''$ EAST, A DISTANCE OF 10.00 FEET; THENCE NORTH $89^{\circ}04'14''$ WEST, A DISTANCE OF 74.14 FEET; THENCE SOUTH $45^{\circ}55'46''$ WEST, A DISTANCE OF 327.86 FEET; THENCE SOUTH $14^{\circ}42'19''$ EAST, A DISTANCE OF 355.16 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 584.00 FEET AND A CENTRAL ANGLE OF $92^{\circ}42'04''$; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 944.87 FEET TO A POINT OF NON-TANGENCY, SAID POINT BEING THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1080.00 FEET, A CENTRAL ANGLE OF $2^{\circ}33'49''$ AND A CHORD BEARING OF SOUTH $0^{\circ}00'38''$ WEST; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, A

DISTANCE OF 48.32 FEET TO A POINT OF TANGENCY; THENCE SOUTH 01°17'32" WEST, A DISTANCE OF 9.59 FEET; TO A POINT ON THE SOUTH LINE OF A PARCEL OF LAND DESCRIBED IN OFFICIAL RECORD BOOK 21129, PAGE 244, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE SOUTH 65°39'57" WEST ALONG SAID SOUTH LINE, A DISTANCE OF 1851.67 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF INTERSTATE 95 (I-95) AS DESCRIBED IN SAID ORDER OF TAKING; THENCE NORTH 28°00'09" WEST, A DISTANCE OF 2268.22 FEET; THENCE NORTH 24°00'09" WEST, A DISTANCE OF 546.72 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 5635.58 FEET AND A CENTRAL ANGLE OF 5°31'54"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 544.09 FEET TO A POINT OF TANGENCY; THENCE NORTH 18°28'15" WEST, A DISTANCE OF 543.08 FEET; THENCE NORTH 14°39'25" WEST, A DISTANCE OF 177.27 FEET; THENCE NORTH 11°29'21" EAST, A DISTANCE OF 190.36 FEET; THENCE NORTH 63°46'51" EAST, A DISTANCE OF 190.36 FEET; THE PRECEDING SEVEN (7) COURSES BEING COINCIDENT WITH SAID EAST RIGHT-OF-WAY LINE OF INTERSTATE 95) TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCELS OF LAND CONTAINS 84.46 ACRES, MORE OR LESS.

TOGETHER WITH AN UNDIVIDED 75% OF THE PETROLEUM AND MINERAL RIGHTS WITH RESPECT TO THE PROPERTY DESCRIBED IN DEED BOOK 1107, PAGE 685, AND IN DEED BOOK 1146, PAGE 58, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

EXHIBIT "B"
LIMITATIONS ON GRANTOR'S LIABILITY

In addition to the limitations on the warranties of Grantor expressly set forth in this Special Warranty Deed (the "Deed"), the following limitations and clarifications shall apply to Grantor's liability with respect to its warranties set forth in this Deed:

1. The liability of Grantor under the warranties set forth in this Deed is several and not joint.
2. The liability of each Grantor with respect to the warranties set forth in this Deed is limited to the proportion that his or its undivided interest in the Property bears to the liability of all undivided interests in the Property.
3. The Property described on Exhibit "A" to this Deed is intended to be a portion of the property acquired by Grantor's predecessors in title in that certain Warranty Deed from Bella Meyerson as grantor and David Minkin, Elias Thall and Dorothy Thall, husband and wife, and Sigmund S. Briger and Lillian Briger, husband and wife, as grantees, recorded in Deed Book 1146, Page 63, of the Public Records of Palm Beach County, Florida.

WI #22



CFN 20130542350
OR BK 26522 PG 0077
RECORDED 12/23/2013 12:50:53
Palm Beach County, Florida
AMT 83,400,000.00
Doc Stamp 583,800.00
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0077 - 91; (15pgs)

PREPARED BY AND RETURN TO:
H. William Perry, Esq.
Gunster, Yoakley & Stewart, P.A.
777 S. Flagler Drive, Suite 500
West Palm Beach, FL 33401
Will Call Box 22

Tax ID Nos.: 52-42-41-26-00-000-1010 (Portion)
52-42-41-35-00-000-1020
52-42-41-26-00-000-7010
52-42-41-35-00-000-3010

WILLIAM'S NOT PUBLIC

SPECIAL WARRANTY DEED

THIS INSTRUMENT, executed this 23rd day of December 2013, by THE LESTER FAMILY INVESTMENTS L.P., a Delaware limited partnership, as to an undivided 1/9 interest, RICHARD THALL, as to an undivided 1/6 interest, ROBERT THALL, as to an undivided 1/6 interest, PAUL H. BRIGER, as to an undivided 1/9 interest, PETER L. BRIGER, as to an undivided 1/9 interest, and PATRICIA B. LESTER and HOWARD LESTER, as Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, as to an undivided 1/3 interest (collectively, "Grantor"), having an address of 44 Coconut Row, Suite T1-T2, Palm Beach, Florida 33480, in favor of KG DONALD ROSS LLC, a Florida limited liability company ("Grantee"), having an address of 701 South Olive Ave., Suite 104, West Palm Beach, Florida 33401.

WITNESSETH:

Grantor, in consideration of the premises and the sum of TEN AND NO/100 DOLLARS (\$10.00) in hand paid, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms to Grantee, and Grantee's successors and assigns forever, that certain real property situate in Palm Beach County, Florida, more particularly described as follows (the "Property"):

SEE EXHIBIT "A" ATTACHED HERETO.

TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, including all oil rights and mineral rights, and all the estate, right, title, interest, lien, equity and claim whatsoever of Grantor, either in law or equity, to the only proper use, benefit and behalf of Grantee forever.

SUBJECT TO the following:

1. Taxes and assessments for the year 2013 and all subsequent years;
2. All applicable governmental, zoning and land use ordinances, restrictions, and prohibitions and other requirements imposed by governmental authority;
3. Agreements and easements of record;

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4. Parties in possession pursuant to leases;
5. Easements, claims of easements, boundary line disputes, overlaps, encroachments or other matters not shown by the Public Records which would be disclosed by an accurate survey of the Property; and
6. Further subject to those matters described on Exhibit "B" attached hereto.

AND GRANTOR covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that it has good right and lawful authority to sell and convey the Property; and that it hereby fully warrants the title to said Property and will defend the same against the lawful claims of all persons whomsoever, claiming by, through or under Grantor. The foregoing warranty of Grantor only applies with respect to each Grantor to claims and other matters arising during the period of time that such Grantor has held title to the Property.

GRANTOR, ROBERT THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 10533 Davis Road, West Winfield, NY 13491.

GRANTOR, RICHARD THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 165 Feeks Lane, Lattingtown, NY 11560.

GRANTOR, PETER L. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 25 Field Point Circle, Greenwich, CT 06830.

GRANTOR, PAUL H. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 51 Commonwealth Avenue, Boston, MA 02116.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned has set his hand and seal on behalf of Grantor on the day and year first above written.

Signed, sealed and delivered in the presence of:

GRANTOR:

David Clotier
Print Name: David Clotier

Paul H. Briger
Paul H. Briger

Arsemo Lobo
Print Name: ARSEMO LOBO

STATE OF MASSACHUSETTS)
) ss.
COUNTY OF SUFFOLK)

The foregoing instrument was acknowledged before me this 18TH day of 2013 2013, by Paul H. Briger, who is personally known to me or has produced US PASSPORT as identification.

(Notary Seal)



Notary Public-State of MASSACHUSETTS
Print Name: ARSEMO LOBO
My Commission No: NOVEMBER 16 202 - 8.9 30923
My Commission expires: OCTOBER 16 2020

This

Erika Soldano
Print Name: Erika Soldano

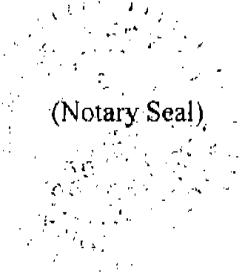
Peter L. Briger
Peter L. Briger

John Velazquez
Print Name: John Velazquez

Copy

STATE OF NEW YORK)
COUNTY OF NEW YORK)ss.

The foregoing instrument was acknowledged before me this 13 day of DECEMBER 2013, by Peter L. Briger, who is personally known to me or has produced as identification.



(Notary Seal)

Joy Wiltermuth
Notary Public-State of New York
Print Name: Joy Wiltermuth
My Commission No: 01 W1-6093589
My Commission expires: June 02, 2015

This

Print Name: Jeffrey S. Riegler

Richard A. Thall
Richard Thall

Print Name: Miguel Gonsalves

STATE OF New York)
COUNTY OF Nassau) ss.

The foregoing instrument was acknowledged before me this 18th day of December 2013, by Richard Thall, who is personally known to me or has produced as identification.

(Notary Seal)

JEFFREY S. RIEGLER
Notary Public, State of New York
No. 02F 5077212
Qualified in Nassau County
Commission Expires 05/25/2015

Jeffrey S. Riegler
Notary Public - State of NY
Print Name: Jeffrey S. Riegler
My Commission No: _____
My Commission expires: _____

This is a
2013
©
Notary Public
New York
State
Notary
Public
Gail B. Smith

Gail B. Smith
Print Name: GAIL B SMITH

Robert Thal
Robert Thal

Kathleen A. Evans
Print Name: Kathleen A. Evans

STATE OF New York)
COUNTY OF Westchester)ss.

The foregoing instrument was acknowledged before me this 18th day of December 2013, by Robert Thal, who is personally known to me or has produced _____ as identification.

(Notary Seal)

Gail B. Smith
Notary Public-State of _____
Print Name: _____
My Commission No: _____
My Commission expires: _____

This is Not a Certified Copy

THE LESTER FAMILY INVESTMENTS,
L.P., a Delaware limited partnership

By: PHL FINANCIAL CONSULTING
CO., INC., its general partner

Charles A. Lubitz

Print Name: Charles A. Lubitz

By: *Precott Lester*

Precott Lester, President

Ann Z. Anders

Print Name: Ann Z. Anders

STATE OF FLORIDA

)
)ss.

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Prescott Lester, the President of PHL Financial Consulting Co., Inc., the general partner of THE LESTER FAMILY INVESTMENTS, L.P., a Delaware limited partnership, on behalf of the limited partnership. He is personally known to me or has produced _____ as identification.

Ann Z. Anders

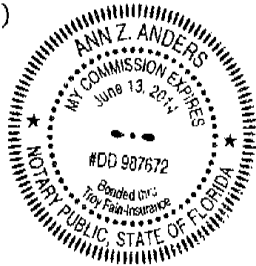
Notary Public-State of Florida

Print Name: Ann Z. Anders

My Commission No: DD 987672

My Commission expires: 6/13/2014

(Notary Seal)



This is Not a Certified Copy

THE DAVID MINKIN FLORIDA
REALTY TRUST DATED
DECEMBER 12, 1996

Charles A. Lubitz
Print Name: Charles A. Lubitz

Patricia B. Lester
Patricia B. Lester, Co-Trustee

Ann Z. Anders
Print Name: Ann Z. Anders

Howard Lester
Howard Lester, Co-Trustee

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Patricia B. Lester and Howard Lester, Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, on behalf of the Trust. They are personally known to me or have produced _____ as identification.

(Notary Seal)



Ann Z. Anders
Notary Public - State of Florida
Print Name: Ann Z. Anders
My Commission No: DD 987672
My Commission expires: 6/13/2014

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

(KG DONALD ROSS LLC PARCEL)

A PARCEL OF LAND BEING A PORTION OF SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 26; THENCE NORTH 00°36'37" EAST ALONG THE WEST LINE OF SAID SECTION, A DISTANCE OF 4365.67 FEET TO THE SOUTHWESTERLY BOUNDARY OF THE LAND DESCRIBED AS PARCEL 280 A(1) IN THE ORDER OF TAKING RECORDED IN OFFICIAL RECORD BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF SAID PALM BEACH COUNTY; THENCE ALONG SAID BOUNDARY SOUTH 34°23'37" EAST, A DISTANCE OF 112.80 FEET; THENCE SOUTH 33°14'52" EAST, A DISTANCE OF 493.78 FEET ALONG SAID BOUNDARY TO THE BEGINNING OF A CURVE THEREIN, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 11365.16 FEET; THENCE SOUTHEASTERLY, A DISTANCE OF 813.16 FEET ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04°05'58" TO A POINT OF TANGENCY; THENCE SOUTH 29°08'54" EAST, A DISTANCE OF 1199.30 FEET; THENCE SOUTH 28°00'09" EAST ALONG SAID BOUNDARY, A DISTANCE OF 2426.49 FEET TO THE SOUTH LINE OF SAID SECTION 26; THENCE CONTINUE SOUTH 28°00'09" EAST ALONG SAID BOUNDARY, A DISTANCE OF 1464.87 FEET; THENCE NORTH 89°04'14" WEST ALONG SAID BOUNDARY AND ALONG THE NORTH LINE OF THE LAND DESCRIBED IN PARCEL 280 B(1) OF SAID ORDER, OF TAKING, A DISTANCE OF 339.10 FEET; THENCE SOUTH 86°53'01" WEST ALONG SAID NORTH LINE, A DISTANCE OF 401.53 FEET TO THE NORTHERLY LINE OF HOOD ROAD; THENCE NORTH 88°06'56" WEST ALONG SAID NORTHERLY LINE, A DISTANCE OF 518.05 FEET TO THE EAST LINE OF THE SOUTHWEST QUARTER (SW 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SAID SECTION 35; THENCE NORTH 00°50'35" EAST ALONG SAID EAST LINE, A DISTANCE OF 628.52 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER (SW 1/4); THENCE NORTH 89°02'37" WEST, A DISTANCE OF 658.29 FEET TO THE NORTHWEST CORNER OF SAID SOUTHWEST QUARTER (SW 1/4); THENCE SOUTH 00°50'56" WEST ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER (SW 1/4), A DISTANCE OF 617.85 FEET TO SAID NORTH LINE OF HOOD ROAD; THENCE NORTH 88°06'56" WEST ALONG SAID NORTH LINE, A DISTANCE OF 392.92 FEET TO A POINT ON THE NORTH LINE OF THE FLORIDA'S TURNPIKE RIGHT-OF-WAY AS DESCRIBED IN MINUTES OF THE CIRCUIT COURT BOOK 70, PAGE 443, PALM BEACH COUNTY, FLORIDA; THENCE ALONG SAID NORTH RIGHT-OF-WAY LINE FOR THE FOLLOWING FOUR [4] COURSES: NORTH 01°53'04" EAST, A DISTANCE OF 10.00 FEET; NORTH 88°06'56" WEST, A DISTANCE OF 350.00 FEET; THENCE NORTH 83°28'53" WEST, A DISTANCE OF 503.22 FEET; THENCE NORTH 89°00'28" WEST, A DISTANCE OF 73.33 FEET TO

THE WEST LINE OF SAID SECTION 35; THENCE NORTH 00°51'38" EAST ALONG SAID WEST LINE, A DISTANCE OF 1204.18 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

A PARCEL OF LAND LYING IN SECTION 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 26, SAID POINT BEING THE NORTHEAST CORNER OF SAID SECTION 35; THENCE NORTH 01°17'32" EAST ALONG THE EAST LINE OF SAID SECTION 26, A DISTANCE OF 1469.36 FEET; THENCE NORTH 89°11'56" WEST, A DISTANCE OF 100.00 FEET; THENCE NORTH 01°17'32" EAST, A DISTANCE OF 23.00 FEET; THENCE NORTH 89°11'56" WEST, A DISTANCE OF 1026.95 FEET; THENCE SOUTH 46°02'48" WEST, A DISTANCE OF 18.74 FEET; THENCE NORTH 66°19'50" WEST, A DISTANCE OF 21.63 FEET; THENCE SOUTH 89°13'22" WEST, A DISTANCE OF 108.82 FEET; THENCE NORTH 00°46'38" WEST, A DISTANCE OF 34.61 FEET; THENCE NORTH 01°17'32" EAST, A DISTANCE OF 374.81 FEET; THENCE SOUTH 65°39'57" WEST, A DISTANCE OF 1851.67 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF INTERSTATE 95 (I-95) BEING DESCRIBED AS PARCEL 280 A(1) IN THE ORDER OF TAKING RECORDED IN OFFICIAL RECORD BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE SOUTH 28°00'09" EAST ALONG SAID EAST RIGHT-OF-WAY LINE, A DISTANCE OF 1899.71 FEET; THENCE NORTH 00°49'41" EAST, A DISTANCE OF 549.73 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 26, BEING THE NORTH LINE OF SAID SECTION 35; THENCE SOUTH 89°24'49" EAST, A DISTANCE OF 658.23 FEET; THENCE SOUTH 00°49'08" WEST, A DISTANCE OF 942.23 FEET TO A POINT ON THE NORTH LINE OF A PARCEL OF LAND DESCRIBED AS PARCEL 280 B(2) IN THE ORDER OF TAKING RECORDED IN OFFICIAL RECORD BOOK 4296, PAGE 1151, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE SOUTH 89°10'53" EAST, A DISTANCE OF 70.00 FEET; THENCE SOUTH 00°49'08" WEST, A DISTANCE OF 291.34 FEET; THENCE SOUTH 88°06'56" EAST, A DISTANCE OF 117.31 FEET; THENCE SOUTH 83°32'30" EAST, A DISTANCE OF 308.19 FEET; THENCE NORTH 01°53'04" EAST, A DISTANCE OF 15.00 FEET; THENCE SOUTH 83°32'30" EAST, A DISTANCE OF 140.45 FEET; THENCE SOUTH 01°53'04" WEST, A DISTANCE OF 15.00 FEET; THENCE SOUTH 83°32'30" EAST, A DISTANCE OF 52.96 FEET; THENCE SOUTH 88°06'56" EAST, A DISTANCE OF 32.20 FEET TO A POINT ON THE EAST LINE OF SAID PARCEL 280 B(2), THE PREVIOUS NINE (9) COURSES BEING COINCIDENT WITH SAID NORTH LINE OF PARCEL 280 B(2); THENCE SOUTH 01°53'04" WEST ALONG THE EAST LINE OF SAID PARCEL 280 B(2), A DISTANCE OF 70.00 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF HOOD ROAD AS DESCRIBED IN DEED BOOK 1146, PAGE 639, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE SOUTH 88°06'56" EAST ALONG SAID NORTH LINE OF HOOD ROAD, A DISTANCE OF 639.65 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 35; THENCE NORTH 00°48'03" EAST ALONG SAID EAST LINE OF SECTION 35, A DISTANCE OF 1373.03 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

A PARCEL OF LAND LYING IN SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 26; THENCE SOUTH $01^{\circ}17'32''$ WEST ALONG THE EAST LINE OF SAID SECTION 26, A DISTANCE OF 520.82 FEET; THENCE NORTH $88^{\circ}42'28''$ WEST, A DISTANCE OF 1290.01 FEET TO THE POINT OF BEGINNING, SAID POINT BEING THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 429.56 FEET AND A CENTRAL ANGLE OF $157^{\circ}27'03''$; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 1180.44 FEET TO A POINT OF TANGENCY; THENCE NORTH $45^{\circ}55'46''$ EAST, A DISTANCE OF 23.57 FEET; THENCE SOUTH $44^{\circ}04'14''$ EAST, A DISTANCE OF 216.97 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1080.00 FEET AND A CENTRAL ANGLE OF $26^{\circ}44'18''$; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 504.01 FEET TO A POINT OF NON TANGENCY; THENCE SOUTH $74^{\circ}15'38''$ WEST, A DISTANCE OF 79.58 FEET; THENCE SOUTH $15^{\circ}44'14''$ EAST, A DISTANCE OF 104.74 FEET; THENCE NORTH $74^{\circ}15'38''$ EAST, A DISTANCE OF 77.41 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1080.00 FEET, A CENTRAL ANGLE OF $2^{\circ}02'46''$ AND A CHORD BEARING OF SOUTH $09^{\circ}43'32''$ EAST; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 38.57 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

A PARCEL OF LAND BEING A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 26; THENCE NORTH $01^{\circ}20'36''$ EAST ALONG THE EAST LINE OF SAID SECTION 26, A DISTANCE OF 206.73 FEET; THENCE NORTH $88^{\circ}41'00''$ WEST, A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING; THENCE NORTH $88^{\circ}41'00''$ WEST, A DISTANCE OF 140.10 FEET; THENCE NORTH $01^{\circ}19'00''$ EAST, A DISTANCE OF 18.01 FEET; THENCE NORTH $88^{\circ}41'00''$ WEST, A DISTANCE OF 685.46 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 481.50 FEET AND A CENTRAL ANGLE OF $28^{\circ}42'55''$; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 241.32 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 15.00 FEET AND A CENTRAL ANGLE OF $79^{\circ}32'17''$; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 20.82 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1282.50 FEET AND

A CENTRAL ANGLE OF 5°55'13"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 132.52 FEET TO A POINT OF NON TANGENCY; THENCE SOUTH 45°55'42" WEST, A DISTANCE OF 149.75 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 10°48'54" AND A CHORD BEARING OF NORTH 46°25'24" WEST; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 2.83 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1323.00 FEET AND A CENTRAL ANGLE OF 0°49'53"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 19.20 FEET TO A POINT OF NON TANGENCY; THENCE SOUTH 45°55'42" WEST, A DISTANCE OF 103.08 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1220.00 FEET, A CENTRAL ANGLE OF 2°24'40" AND A CHORD BEARING OF NORTH 42°51'54" WEST; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 51.34 FEET TO A POINT OF TANGENCY; THENCE NORTH 44°04'14" WEST, A DISTANCE OF 509.02 FEET; THENCE SOUTH 89°05'01" EAST, A DISTANCE OF 2.31 FEET; THENCE NORTH 40°29'13" EAST, A DISTANCE OF 168.70 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 137.50 FEET AND A CENTRAL ANGLE OF 5°26'33"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 13.06 FEET TO A POINT OF TANGENCY; THENCE NORTH 45°55'46" EAST, A DISTANCE OF 155.12 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 600.00 FEET AND A CENTRAL ANGLE OF 45°24'51"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 475.58 FEET TO A POINT OF TANGENCY; THENCE SOUTH 88°39'23" EAST, A DISTANCE OF 1101.83 FEET; THENCE SOUTH 01°20'36" WEST, A DISTANCE OF 720.06 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

A PARCEL OF LAND BEING A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 26; THENCE NORTH 89°55'45" EAST ALONG THE NORTH LINE OF SAID SECTION 26, A DISTANCE OF 1630.54 FEET; THENCE SOUTH 00°04'15" EAST, A DISTANCE OF 106.00 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF DONALD ROSS ROAD AS DESCRIBED IN THE ORDER OF TAKING AS PARCEL 280 A(1), RECORDED IN OFFICIAL RECORD BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, SAID POINT BEING THE POINT OF BEGINNING; THENCE SOUTH 45°04'14" EAST, A DISTANCE OF 57.15 FEET; THENCE SOUTH 02°19'52" EAST, A DISTANCE OF 156.36 FEET; THENCE SOUTH 00°04'14" EAST, A DISTANCE OF 207.41 FEET; THENCE SOUTH 00°46'47" EAST, A DISTANCE OF 472.39 FEET; THENCE SOUTH 00°04'14" EAST, A DISTANCE OF 297.58 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 2486.96 FEET AND A CENTRAL ANGLE OF 43°31'34"; THENCE SOUTHEASTERLY

ALONG THE ARC OF SAID CURVE, A DISTANCE OF 1889.28 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 20.00 FEET AND A CENTRAL ANGLE OF 52°41'49"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 18.39 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 130.00 FEET AND A CENTRAL ANGLE OF 196°18'04"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 445.39 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 20.00 FEET AND A CENTRAL ANGLE OF 53°07'49"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 18.55 FEET TO A POINT OF TANGENCY; THENCE NORTH 45°55'46" EAST, A DISTANCE OF 1034.53 FEET; THENCE SOUTH 89°04'14" EAST, A DISTANCE OF 74.14 FEET; THENCE NORTH 44°04'14" WEST, A DISTANCE OF 202.43 FEET; THENCE SOUTH 00°55'46" WEST, A DISTANCE OF 56.57 FEET; THENCE SOUTH 45°55'46" WEST, A DISTANCE OF 1046.96 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 53°07'48"; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 46.36 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 100.00 FEET AND A CENTRAL ANGLE OF 16°13'00"; THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 28.30 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 53°35'38"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 46.77 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 2376.96 FEET AND A CENTRAL ANGLE OF 45°29'34"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 1804.33 FEET TO A POINT OF TANGENCY; THENCE NORTH 00°04'14" WEST, A DISTANCE OF 1140.00 FEET; THENCE NORTH 44°55'46" EAST, A DISTANCE OF 56.57 FEET TO A POINT ON SAID SOUTH RIGHT-OF-WAY LINE OF DONALD ROSS ROAD AS DESCRIBED IN THE ORDER OF TAKING AS PARCEL 280 B(3), RECORDED IN OFFICIAL RECORD BOOK 4296, PAGE 1151 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE SOUTH 89°55'45" WEST, A DISTANCE OF 129.72 FEET; THENCE SOUTH 00°04'15" EAST, A DISTANCE OF 6.00 FEET; THENCE SOUTH 89°55'45" WEST, A DISTANCE OF 72.71 FEET (THE PRECEDING THREE (3) COURSES BEING COINCIDENT WITH SAID SOUTH RIGHT-OF-WAY LINE OF DONALD ROSS ROAD) TO THE POINT OF BEGINNING.

TOGETHER WITH:

A PARCEL OF LAND BEING A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 26; THENCE SOUTH 01°20'36" WEST ALONG THE EAST LINE OF SAID SECTION 26, A DISTANCE OF 542.17 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 01°20'36"

WEST ALONG SAID EAST LINE OF SAID SECTION 26 , A DISTANCE OF 133.07 FEET;
THENCE NORTH 88°39'24" WEST, A DISTANCE OF 25.00 FEET; THENCE NORTH
01°20'36" EAST, A DISTANCE OF 107.45 FEET; THENCE SOUTH 89°56'25" WEST, A
DISTANCE OF 314.62 FEET; THENCE NORTH 01°20'36" EAST, A DISTANCE OF 25.01
FEET; THENCE NORTH 89°56'25" EAST, A DISTANCE OF 339.63 FEET TO THE POINT
OF BEGINNING.

TOGETHER WITH AN UNDIVIDED 75% OF THE PETROLEUM AND MINERAL
RIGHTS WITH RESPECT TO THE PROPERTY DESCRIBED IN DEED BOOK 1107, PAGE
685, AND IN DEED BOOK 1146, PAGE 58, PUBLIC RECORDS OF PALM BEACH
COUNTY, FLORIDA.

EXHIBIT "B"
LIMITATIONS ON GRANTOR'S LIABILITY

In addition to the limitations on the warranties of Grantor expressly set forth in this Special Warranty Deed (the "Deed"), the following limitations and clarifications shall apply to Grantor's liability with respect to its warranties set forth in this Deed:

1. The liability of Grantor under the warranties set forth in this Deed is several and not joint.
2. The liability of each Grantor with respect to the warranties set forth in this Deed is limited to the proportion that his or its undivided interest in the Property bears to the liability of all undivided interests in the Property.
3. The Property described on Exhibit "A" to this Deed is intended to be a portion of the property acquired by Grantor's predecessors in title in that certain Warranty Deed from Bella Meyerson as grantor and David Minkin, Elias Thall and Dorothy Thall, husband and wife, and Sigmund S. Briger and Lillian Briger, husband and wife, as grantees, recorded in Deed Book 1146, Page 63, of the Public Records of Palm Beach County, Florida.

WOC
#22



CFN 20130542362
OR BK 26522 PG 0218
RECORDED 12/23/2013 12:50:53
Palm Beach County, Florida
AMT 7,700,000.00
Doc Stamp 53,900.00
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0218 - 231; (14pgs)

PREPARED BY AND RETURN TO:
H. William Perry, Esq.
Gunster, Yoakley & Stewart, P.A.
777 S. Flagler Drive, Suite 500
West Palm Beach, FL 33401
Will Call Box 22

Tax ID No.: 52-42-41-26-00-000-1010 (Portion)

SPECIAL WARRANTY DEED

THIS INDENTURE, executed this 23rd day of December 2013, by THE LESTER FAMILY INVESTMENTS L.P., a Delaware limited partnership, as to an undivided 1/9 interest, RICHARD THALL, as to an undivided 1/6 interest, ROBERT THALL, as to an undivided 1/6 interest, PAUL H. BRIGER, as to an undivided 1/9 interest, PETER L. BRIGER, as to an undivided 1/9 interest, and PATRICIA B. LESTER and HOWARD LESTER, as Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, as to an undivided 1/3 interest (collectively, "Grantor"), having an address of 44 Cocconut Row, Suite T1-T2, Palm Beach, Florida 33480, in favor of KH ALTON LLC, a Florida limited liability company ("Grantee"), having an address of 701 South Olive Ave., Suite 104, West Palm Beach, Florida 33401.

WITNESSETH:

Grantor, in consideration of the premises and the sum of TEN AND NO/100 DOLLARS (\$10.00) in hand paid, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms to Grantee, and Grantee's successors and assigns forever, that certain real property situate in Palm Beach County, Florida, more particularly described as follows (the "Property"):

SEE EXHIBIT "A" ATTACHED HERETO.

TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, including all oil rights and mineral rights, and all the estate, right, title, interest, lien, equity and claim whatsoever of Grantor, either in law or equity, to the only proper use, benefit and behalf of Grantee forever.

SUBJECT TO the following:

1. Taxes and assessments for the year 2013 and all subsequent years:
2. All applicable governmental, zoning and land use ordinances, restrictions, and prohibitions and other requirements imposed by governmental authority:
3. Agreements and easements of record:

WPB_ACTIVE 5677237.2

4. Parties in possession pursuant to leases;
5. Easements, claims of easements, boundary line disputes, overlaps, encroachments or other matters not shown by the Public Records which would be disclosed by an accurate survey of the Property; and
6. Further subject to those matters described on Exhibit "B" attached hereto.

AND GRANTOR covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that it has good right and lawful authority to sell and convey the Property; and that it hereby fully warrants the title to said Property and will defend the same against the lawful claims of all persons whomsoever, claiming by, through or under Grantor. The foregoing warranty of Grantor only applies with respect to each Grantor to claims and other matters arising during the period of time that such Grantor has held title to the Property.

GRANTOR, ROBERT THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 10533 Davis Road, West Winfield, NY 13491.

GRANTOR, RICHARD THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 165 Feeks Lane, Lattingtown, NY 11560.

GRANTOR, PETER L. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 25 Field Point Circle, Greenwich, CT 06830.

GRANTOR, PAUL H. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 51 Commonwealth Avenue, Boston, MA 02116.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned has set his hand and seal on behalf of Grantor on the day and year first above written.

Signed, sealed and delivered in the presence of:

GRANTOR:

David Cloutier
Print Name: DAVID CLOUTIER
Arsenio Lobo
Print Name: ARSENIO LOBO

Paul H. Briger
Paul H. Briger

STATE OF MASSACHUSETTS)
) ss.
COUNTY OF SUFFOLK)

The foregoing instrument was acknowledged before me this 16th day of 2013 2013, by Paul H. Briger, who is personally known to me or has produced US PASSPORT as identification.

(Notary Seal)

Notary Public-State of MASSACHUSETTS
Print Name: ARSENIO LOBO
My Commission No: 8930923
My Commission expires: OCTOBER 16, 2020



This

Erika Soldano

Print Name: Erika Soldano

Peter L. Briger

Peter L. Briger

John Velazquez

Print Name: John Velazquez

2

COMMISSION

STATE OF New York)

COUNTY OF New York) ss.

The foregoing instrument was acknowledged before me this 13 day of DECEMBER 2013, by Peter L. Briger, who is personally known to me or has produced _____ as identification.

John Wiltermuth

Notary Public State of New York
Print Name: John Wiltermuth
My Commission No: 01WI-6093589
My Commission expires: June 02, 2015

(Notary Seal)

This

Print Name: Jeffrey S. Riegler

Richard H. Thall
Richard Thall

Print Name: Michael Cardillo

STATE OF New York)
COUNTY OF Nassau)ss.

The foregoing instrument was acknowledged before me this 18 day of December 2013, by Richard Thall, who is personally known to me or has produced _____ as identification.

(Notary Seal) JEFFREY S. RIEGLER
Notary Public, State of New York
No. 02515077212
Qualified in Nassau County
Commission Expires 03/01/2015

Jeffrey S. Riegler
Notary Public-State of NY
Print Name: Jeffrey S. Riegler
My Commission No: _____
My Commission expires: _____

This

Gail B. Smith
Print Name: GAIL B SMITH

Robert Thal
Robert Thal

Kathleen A. Evans
Print Name: Kathleen A. Evans

STATE OF New York)
COUNTY OF Herkimer) ss.

The foregoing instrument was acknowledged before me this 18th day of December 2013, by Robert Thal, who is personally known to me or has produced as identification.

(Notary Seal)

GAIL B SMITH
Notary Public - State of New York
No. 01SM4861265
Commission in Herkimer County
My Commission Expires June 16, 2014

Gail B. Smith
Notary Public-State of _____
Print Name: _____
My Commission No: _____
My Commission expires: _____

This is not a certified copy

THE LESTER FAMILY INVESTMENTS,
L.P., a Delaware limited partnership

By: PHL FINANCIAL CONSULTING
CO., INC., its general partner

Charles A. Lubitz
Print Name: Charles A. Lubitz

By: Prescott Lester
Prescott Lester, President

Ann Z. Anders
Print Name: Ann Z. Anders

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Prescott Lester, the President of PHL Financial Consulting Co., Inc., the general partner of THE LESTER FAMILY INVESTMENTS, L.P., a Delaware limited partnership, on behalf of the limited partnership. He is personally known to me or has produced _____ as identification.

Ann Z. Anders
Notary Public-State of Florida
Print Name: Ann Z. Anders
My Commission No: DD 987672
My Commission expires: 6/13/2014

(Notary Seal)



This is not a
Notarized
Copy

THE DAVID MINKIN FLORIDA
REALTY TRUST DATED
DECEMBER 12, 1996

Charles A. Dubitz
Print Name: Charles A. Dubitz

Patricia B. Lester
Patricia B. Lester, Co-Trustee

Ann Z. Anders
Print Name: Ann Z. Anders

Howard Lester
Howard Lester, Co-Trustee

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Patricia B. Lester and Howard Lester, Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, on behalf of the Trust. They are personally known to me or have produced _____ as identification.

Ann Z. Anders

Notary Public-State of Florida
Print Name: Ann Z. Anders
My Commission No: DD 987672
My Commission expires: 6/13/2014

(Notary Seal)



EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

PHASE I:

A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 26; THENCE N.01°20'36"E. ALONG THE EAST LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 206.73 FEET; THENCE N.88°41'00"W., A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING; THENCE S.01°20'36"W. ALONG A LINE 100.00 FEET WEST OF (AS MEASURED AT RIGHT ANGLES TO) AND PARALLEL WITH THE EAST LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 206.72 FEET; THENCE S.01°17'32"W. ALONG A LINE 100.00 FEET WEST OF (AS MEASURED AT RIGHT ANGLES TO) AND PARALLEL WITH THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 994.45 FEET; THENCE N.89°17'56"W., A DISTANCE OF 1,024.93 FEET; THENCE N.43°57'12"W., A DISTANCE OF 35.51 FEET; THENCE N.01°17'32"E., A DISTANCE OF 250.96 FEET TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 1,200.00 FEET AND A CENTRAL ANGLE OF 42°54'41"; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 898.74 FEET; THENCE N.45°55'42"E., A DISTANCE OF 123.10 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES S.48°09'10"W., A RADIAL DISTANCE OF 1,323.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC THROUGH A CENTRAL ANGLE OF 00°49'53", A DISTANCE OF 19.20 FEET TO THE POINT OF CURVATURE OF A NON TANGENT CURVE TO THE LEFT, OF WHICH THE RADIUS POINT LIES N.48°59'03"E., A RADIAL DISTANCE OF 15.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 10°48'54", A DISTANCE OF 2.83 FEET; THENCE N.45°55'42"E., A DISTANCE OF 149.75 FEET TO THE POINT OF CURVATURE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES S.46°13'08"W., A RADIAL DISTANCE OF 1,282.50 FEET; THENCE SOUTHEASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 05°55'13", A DISTANCE OF 132.52 FEET TO A POINT OF REVERSE CURVATURE TO THE LEFT HAVING A RADIUS OF 15.00 FEET AND A CENTRAL ANGLE OF 79°32'17"; THENCE EASTERLY ALONG THE ARC, A DISTANCE OF 20.82 FEET TO A POINT OF REVERSE CURVATURE TO THE RIGHT HAVING A RADIUS OF 481.50 FEET AND A CENTRAL ANGLE OF 28°42'55"; THENCE EASTERLY ALONG THE ARC, A DISTANCE OF 241.32 FEET; THENCE S.88°41'00"E., A DISTANCE OF 685.46 FEET; THENCE S.01°19'00"W., A DISTANCE OF 18.01 FEET; THENCE S.88°41'00"E., A DISTANCE OF 140.10 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE FOLLOWING PROPOSED ROADWAY TRACT:

A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

-9-

WPB_ACTIVE: 5677237.2

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 26; THENCE S.01°17'32"W. ALONG THE EAST LINE OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 26, A DISTANCE OF 993.55 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S.01°17'32"W. ALONG SAID EAST LINE, A DISTANCE OF 114.00 FEET; THENCE N.89°11'56"W., A DISTANCE OF 1,135.36 FEET; THENCE S.46°02'48"W., A DISTANCE OF 35.20 FEET; THENCE S.89°13'22"W., A DISTANCE OF 88.82 FEET; THENCE N.00°46'38"W., A DISTANCE OF 34.24 FEET; THENCE N.01°17'32"E., A DISTANCE OF 384.04 FEET TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 1,100.00 FEET AND A CENTRAL ANGLE OF 45°21'46"; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 870.90 FEET; THENCE N.44°04'14"W., A DISTANCE OF 563.34 FEET TO A POINT OF CURVATURE TO THE RIGHT HAVING A RADIUS OF 1,210.00 FEET AND A CENTRAL ANGLE OF 44°00'00"; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 929.21 FEET; THENCE N.00°04'14"W., A DISTANCE OF 1,205.00 FEET TO A POINT OF INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF DONALD ROSS ROAD, AS RECORDED IN DEED BOOK 1036, PAGE 478 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE N.89°55'46"E. ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 150.00 FEET; THENCE S.44°55'46"W., A DISTANCE OF 35.36 FEET; THENCE S.00°04'14"E., A DISTANCE OF 1,209.93 FEET TO A POINT OF CURVATURE TO THE LEFT HAVING A RADIUS OF 1,100.00 FEET AND A CENTRAL ANGLE OF 44°00'00"; THENCE SOUTHERLY ALONG THE ARC A DISTANCE OF 844.74 FEET; THENCE S.44°04'14"E., A DISTANCE OF 531.39 FEET TO A POINT OF CURVATURE TO THE RIGHT HAVING A RADIUS OF 1,200.00 FEET AND A CENTRAL ANGLE OF 45°21'46"; THENCE SOUTHERLY ALONG THE ARC A DISTANCE OF 950.08 FEET; THENCE S.01°17'32"W., A DISTANCE OF 250.96 FEET; THENCE S.43°57'12"E., A DISTANCE OF 35.51 FEET; THENCE S.89°11'56"E., A DISTANCE OF 1,124.93 FEET TO THE POINT OF BEGINNING.

PHASE II:

A PARCEL OF LAND BEING A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 26; THENCE SOUTH 01°17'32" WEST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 993.55 FEET; THENCE NORTH 89°11'56" WEST, A DISTANCE OF 100.00 FEET; THENCE NORTH 01°17'32" EAST, A DISTANCE OF 994.45 FEET; THENCE NORTH 1°20'36" EAST, A DISTANCE OF 926.79 FEET; THENCE NORTH 88°39'23" WEST, A DISTANCE OF 1101.83 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 600 FEET AND A CENTRAL ANGLE OF 45°24'51"; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 475.58 FEET TO A POINT OF TANGENCY; THENCE SOUTH 45°55'46" WEST, A DISTANCE OF 155.12 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 137.50 FEET AND A CENTRAL ANGLE OF 5°26'33"; THENCE SOUTHWESTERLY

ALONG THE ARC OF SAID CURVE, A DISTANCE OF 13.06 FEET TO A POINT OF TANGENCY; THENCE SOUTH 40°29'13" WEST, A DISTANCE OF 168.70 FEET; THENCE NORTH 89°05'01" WEST, A DISTANCE OF 2.31 FEET; THENCE SOUTH 44°04'14" EAST, A DISTANCE OF 509.02 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1220.00 FEET AND A CENTRAL ANGLE OF 2°24'40"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 51.34 FEET TO A POINT OF NON TANGENCY; THENCE SOUTH 45°55'42" WEST, A DISTANCE OF 20.02 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1200.00 FEET, A CENTRAL ANGLE OF 2°27'05" AND A CHORD BEARING OF SOUTH 42°50'41" EAST; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 51.34 FEET TO A POINT OF TANGENCY; THENCE NORTH 44°04'14" WEST, A DISTANCE OF 531.39 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1100.00 FEET AND A CENTRAL ANGLE OF 33°39'03"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 646.05 FEET TO A POINT OF NON TANGENCY; THENCE NORTH 89°55'46" EAST, A DISTANCE OF 1220.81 FEET; THENCE NORTH 00°04'14" WEST, A DISTANCE OF 481.70 FEET; THENCE NORTH 89°55'46" EAST, A DISTANCE OF 646.35 FEET; THENCE NORTH 37°50'08" EAST, A DISTANCE OF 62.69 FEET; THENCE NORTH 39°15'34" WEST, A DISTANCE OF 63.42 FEET; THENCE NORTH 01°20'36" EAST, A DISTANCE OF 360.39 FEET; THENCE NORTH 89°56'25" EAST, A DISTANCE OF 314.62 FEET; THENCE SOUTH 01°20'36" WEST, A DISTANCE OF 107.45 FEET; THENCE SOUTH 88°39'24" EAST, A DISTANCE OF 25.00 FEET TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 26; THENCE SOUTH 01°20'36" WEST ALONG SAID EAST LINE OF THE NORTHEAST QUARTER, A DISTANCE OF 1944.32 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 26; THENCE SOUTH 01°17'32" WEST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 1150.55 FEET; THENCE NORTH 89°11'56" WEST, A DISTANCE OF 100.00 FEET; THENCE NORTH 1°17'32" EAST, A DISTANCE OF 23.00 FEET; THENCE NORTH 89°11'56" WEST, A DISTANCE OF 1026.95 FEET; THENCE SOUTH 46°02'48" WEST, A DISTANCE OF 18.74 FEET; THENCE NORTH 66°19'50" WEST, A DISTANCE OF 21.63 FEET; THENCE SOUTH 89°13'22" WEST, A DISTANCE OF 88.82 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89°13'22" WEST, A DISTANCE OF 20.00 FEET; THENCE NORTH 00°46'38" WEST, A DISTANCE OF 34.61 FEET; THENCE NORTH 01°17'32" EAST, A DISTANCE OF 384.40 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1080.00 FEET AND A CENTRAL ANGLE OF 2°33'49"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 48.32 FEET TO A POINT OF NON TANGENCY AND A POINT REFERENCED AS POINT "A", SAID POINT BEING THE

BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 584.00 FEET, A CENTRAL ANGLE OF 92°42'04" AND A CHORD BEARING OF NORTH 61°03'21" WEST; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 944.87 FEET TO A POINT OF TANGENCY; THENCE NORTH 14°42'19" WEST, A DISTANCE OF 355.16 FEET; THENCE NORTH 45°55'46" EAST, A DISTANCE OF 337.86 FEET; THENCE SOUTH 89°04'14" EAST, A DISTANCE OF 74.14 FEET; THENCE SOUTH 44°04'14" EAST, A DISTANCE OF 331.58 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1100.00 AND A CENTRAL ANGLE OF 45°21'46"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 870.90 FEET TO A POINT OF TANGENCY; THENCE SOUTH 01°17'32" WEST, A DISTANCE OF 384.04 FEET; THENCE SOUTH 00°46'38" EAST, A DISTANCE OF 34.24 FEET TO THE POINT OF BEGINNING;

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL OF LAND:

A PARCEL OF LAND BEING A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 26; THENCE SOUTH 01°17'32" WEST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 26, A DISTANCE OF 1150.55 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89°11'56" WEST, A DISTANCE OF 100.00 FEET; THENCE NORTH 1°17'32" EAST, A DISTANCE OF 23.00 FEET; THENCE NORTH 89°11'56" WEST, A DISTANCE OF 1026.95 FEET; THENCE SOUTH 46°02'48" WEST, A DISTANCE OF 18.74 FEET; THENCE NORTH 66°19'50" WEST, A DISTANCE OF 21.63 FEET; THENCE NORTH 46°02'48" EAST, A DISTANCE OF 35.20 FEET; THENCE SOUTH 89°11'56" EAST, A DISTANCE OF 1135.36 FEET TO A POINT ON SAID EAST LINE OF THE SOUTHEAST QUARTER; THENCE SOUTH 01°17'32" WEST ALONG SAID EAST LINE OF THE SOUTHEAST QUARTER, A DISTANCE OF 43.00 FEET TO THE POINT OF BEGINNING;

LESS THE FOLLOWING DESCRIBED PARCEL OF LAND:

A PARCEL OF LAND BEING A PORTION OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE AFOREMENTIONED REFERENCE POINT "A"; THENCE NORTH 05°29'55" WEST, A DISTANCE OF 159.22 FEET TO THE POINT OF BEGINNING, SAID POINT BEING THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 429.56 FEET, A CENTRAL ANGLE OF 157°27'03" AND A CHORD BEARING OF NORTH 32°47'45" WEST; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 1180.44 FEET TO A POINT OF TANGENCY; THENCE NORTH 45°55'46" EAST, A DISTANCE OF 23.57 FEET; THENCE SOUTH 44°04'14" EAST, A DISTANCE OF 216.97 FEET TO THE POINT OF CURVATURE

OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1080.00 FEET AND A CENTRAL ANGLE OF 26°44'18"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 504.01 FEET TO A POINT OF NON TANGENCY; THENCE SOUTH 74°15'38" WEST, A DISTANCE OF 79.58 FEET; THENCE SOUTH 15°44'14" EAST, A DISTANCE OF 104.74 FEET; THENCE NORTH 74°15'38" EAST, A DISTANCE OF 77.41 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1080.00 FEET, A CENTRAL ANGLE OF 2°02'46" AND A CHORD BEARING OF SOUTH 09°43'32" EAST; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 38.57 FEET TO THE POINT OF BEGINNING

TOGETHER WITH AN UNDIVIDED 75% OF THE PETROLEUM AND MINERAL RIGHTS WITH RESPECT TO THE PROPERTY DESCRIBED IN DEED BOOK 1107, PAGE 685, AND IN DEED BOOK 1146, PAGE 58, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

Public Records
certified copy

EXHIBIT "B"
LIMITATIONS ON GRANTOR'S LIABILITY

In addition to the limitations on the warranties of Grantor expressly set forth in this Special Warranty Deed (the "Deed"), the following limitations and clarifications shall apply to Grantor's liability with respect to its warranties set forth in this Deed:

1. The liability of Grantor under the warranties set forth in this Deed is several and not joint.
2. The liability of each Grantor with respect to the warranties set forth in this Deed is limited to the proportion that his or its undivided interest in the Property bears to the liability of all undivided interests in the Property.
3. The Property described on Exhibit "A" to this Deed is intended to be a portion of the property acquired by Grantor's predecessors in title in that certain Warranty Deed from Bella Meyerson as grantor and David Minkin, Elias Thall and Dorothy Thall, husband and wife, and Sigmund S. Briger and Lillian Briger, husband and wife, as grantees, recorded in Deed Book 1146, Page 63, of the Public Records of Palm Beach County, Florida.



WC #22

CFN 20130542360
OR BK 26522 PG 0199
RECORDED 12/23/2013 12:50:53
Palm Beach County, Florida
AMT 7,800,000.00
Doc Stamp 54,600.00
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0199 - 208; (10pgs)

PREPARED BY AND RETURN TO:
H. William Perry, Esq.
Gunster, Yoakley & Stewart, P.A.
777 S. Flagler Drive, Suite 500
West Palm Beach, FL 33401
Will Call Box 22

Tax ID No.: 52-42-41-26-00-000-1010 (Portion)

SPECIAL WARRANTY DEED

THIS INDENTURE, executed this 23rd day of December 2013, by THE LESTER FAMILY INVESTMENTS L.P., a Delaware limited partnership, as to an undivided 1/9 interest, RICHARD THALL, as to an undivided 1/6 interest, ROBERT THALL, as to an undivided 1/6 interest, PAUL H. BRIGER, as to an undivided 1/9 interest, PETER L. BRIGER, as to an undivided 1/9 interest, and PATRICIA B. LESTER and HOWARD LESTER, as Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, as to an undivided 1/3 interest (collectively, "Grantor"), having an address of 44 Coconut Row, Suite T1-T2, Palm Beach, Florida 33480, in favor of GRANDIFLORA MULTIFAMILY INVESTMENTS LLC, a Florida limited liability company ("Grantee"), having an address of 701 South Olive Ave., Suite 104, West Palm Beach, Florida 33401.

WITNESSETH:

Grantor, in consideration of the premises and the sum of TEN AND NO/100 DOLLARS (\$10.00) in hand paid, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms to Grantee, and Grantee's successors and assigns forever, that certain real property situate in Palm Beach County, Florida, more particularly described as follows (the "Property"):

SEE EXHIBIT "A" ATTACHED HERETO.

TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, including all oil rights and mineral rights, and all the estate, right, title, interest, lien, equity and claim whatsoever of Grantor, either in law or equity, to the only proper use, benefit and behalf of Grantee forever.

SUBJECT TO the following:

1. Taxes and assessments for the year 2013 and all subsequent years:
2. All applicable governmental, zoning and land use ordinances, restrictions, and prohibitions and other requirements imposed by governmental authority:
3. Agreements and easements of record:
4. Parties in possession pursuant to leases:

WPB_ACTIVE 5677214.2

5. Easements, claims of easements, boundary line disputes, overlaps, encroachments or other matters not shown by the Public Records which would be disclosed by an accurate survey of the Property; and
6. Further subject to those matters described on Exhibit "B" attached hereto.

AND GRANTOR covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that it has good right and lawful authority to sell and convey the Property; and that it hereby fully warrants the title to said Property and will defend the same against the lawful claims of all persons whomsoever, claiming by, through or under Grantor. The foregoing warranty of Grantor only applies with respect to each Grantor to claims and other matters arising during the period of time that such Grantor has held title to the Property.

GRANTOR, ROBERT THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 10533 Davis Road, West Winfield, NY 13491.

GRANTOR, RICHARD THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 165 Feeks Lane, Lattingtown, NY 11560.

GRANTOR, PETER L. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 25 Field Point Circle, Greenwich, CT 06830.

GRANTOR, PAUL H. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 51 Commonwealth Avenue, Boston, MA 02116.

[Signature pages follow]

This is a Certified Copy
Print Name: Erika Soldano

Peter L. Briger
Peter L. Briger

Print Name: Shelma Velazquez

STATE OF New York)
COUNTY OF New York) ss.

The foregoing instrument was acknowledged before me this 13 day of DECEMBER 2013, by Peter L. Briger, who is personally known to me or has produced _____ as identification

(Notary Seal)

Joy Wiltermuth
Notary Public-State of New York
Print Name: Joy Wiltermuth
My Commission No: 01WI-6093589
My Commission expires: June 02, 2015

This

Print Name: Jeffrey S. Riegler

Richard D. Hall
Richard Thall

Print Name: Riguel Gozillo

STATE OF New York)
COUNTY OF Nassau)ss.

The foregoing instrument was acknowledged before me this 18th day of December 2013, by Richard Thall, who is personally known to me or has produced _____ as identification.

(Notary Seal) **JEFFREY S. RIEGLER**
Notary Public, State of New York
No. 02P15077212
Qualified in Nassau County
Commission Expires 05/05/2015

Jeffrey S. Riegler
Notary Public - State of NY
Print Name: Jeffrey S. Riegler
My Commission No: _____
My Commission expires: _____

This is not a certified copy

THE LESTER FAMILY INVESTMENTS,
L.P., a Delaware limited partnership

By: PHL FINANCIAL CONSULTING
CO., INC., its general partner

By: [Signature]
Prescott Lester, President

[Signature]
Print Name: Charles A. Lubitz

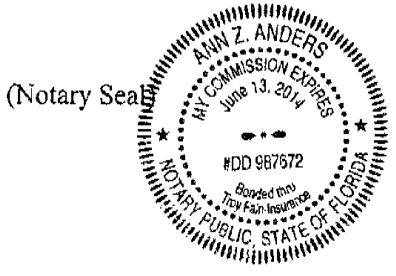
[Signature]
Print Name: Ann Z. Anders

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Prescott Lester, the President of PHL Financial Consulting Co., Inc., the general partner of THE LESTER FAMILY INVESTMENTS, L.P., a Delaware limited partnership, on behalf of the limited partnership. He is personally known to me or has produced _____ as identification.

[Signature]
Notary Public-State of Florida
Print Name: Ann Z. Anders
My Commission No: DD 987672
My Commission expires: 6/13/2014



This is not a certified copy

THE DAVID MINKIN FLORIDA
REALTY TRUST DATED
DECEMBER 12, 1996

Charles A. Lubitz
Print Name: Charles A. Lubitz

Patricia B. Lester
Patricia B. Lester, Co-Trustee

Ann Z. Anders
Print Name: Ann Z. Anders

Howard Lester
Howard Lester, Co-Trustee

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Patricia B. Lester and Howard Lester, Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, on behalf of the Trust. They are personally known to me or have produced _____ as identification.

Ann Z. Anders

Notary Public-State of Florida
Print Name: Ann Z. Anders
My Commission No: DD 987672
My Commission expires: 6/13/2014

(Notary Seal)

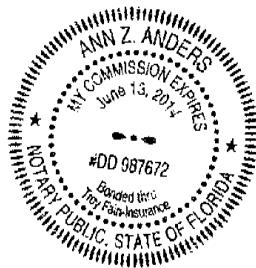


EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

(Grandiflora Multifamily Investments LLC Parcel)

A PARCEL OF LAND LYING IN THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 26; THENCE SOUTH 01°20'36" WEST ALONG THE EAST LINE OF SAID SECTION 26, A DISTANCE OF 1046.17 FEET; THENCE SOUTH 89°55'46" WEST, A DISTANCE OF 981.49 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 89°55'46" WEST, A DISTANCE OF 888.71 FEET; THENCE SOUTH 84°13'08" WEST, A DISTANCE OF 150.75 FEET; THENCE SOUTH 89°55'46" WEST, A DISTANCE OF 175.00 FEET; THENCE SOUTH 44°55'46" WEST, A DISTANCE OF 35.36 FEET; THENCE SOUTH 00°04'14" EAST, A DISTANCE OF 224.08 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1100.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 10°20'57", A DISTANCE OF 198.69 FEET TO A POINT OF NON-TANGENCY; THENCE NORTH 89°55'46" EAST, A DISTANCE OF 1220.81 FEET; THENCE NORTH 00°04'14" WEST, A DISTANCE OF 461.69 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 13.00 ACRES (566.285 SQUARE FEET) MORE OR LESS.

TOGETHER WITH AN UNDIVIDED 75% OF THE PETROLEUM AND MINERAL RIGHTS WITH RESPECT TO THE PROPERTY DESCRIBED IN DEED BOOK 1107, PAGE 685, AND IN DEED BOOK 1146, PAGE 58, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

EXHIBIT "B"
LIMITATIONS ON GRANTOR'S LIABILITY

In addition to the limitations on the warranties of Grantor expressly set forth in this Special Warranty Deed (the "Deed"), the following limitations and clarifications shall apply to Grantor's liability with respect to its warranties set forth in this Deed:

1. The liability of Grantor under the warranties set forth in this Deed is several and not joint.
2. The liability of each Grantor with respect to the warranties set forth in this Deed is limited to the proportion that his or its undivided interest in the Property bears to the liability of all undivided interests in the Property.
3. The Property described on Exhibit "A" to this Deed is intended to be a portion of the property acquired by Grantor's predecessors in title in that certain Warranty Deed from Bella Meyerson as grantor and David Minkin, Elias Thall and Dorothy Thall, husband and wife, and Sigmund S. Briger and Lillian Briger, husband and wife, as grantees, recorded in Deed Book 1146, Page 63, of the Public Records of Palm Beach County, Florida.



WC # 22

CFN 20130542351
OR BK 26522 PG 0092
RECORDED 12/23/2013 12:50:53
Palm Beach County, Florida
AMT 13,900,000.00
Doc Stamp 97,300.00
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0092 - 101; (10pgs)

PREPARED BY AND RETURN TO:
H. William Perry, Esq.
Gunster, Yoakley & Stewart, P.A.
7775 Flagler Drive, Suite 500
West Palm Beach, FL 33401
Will Call Box 22

Tax ID No.: 52-42-41-26-00-000-1010 (Portion)

SPECIAL WARRANTY DEED

THIS INDENTURE, executed this 23rd day of December 2013, by THE LESTER FAMILY INVESTMENTS L.P., a Delaware limited partnership, as to an undivided 1/9 interest, RICHARD THALL, as to an undivided 1/6 interest, ROBERT THALL, as to an undivided 1/6 interest, PAUL H. BRIGER, as to an undivided 1/9 interest, PETER L. BRIGER, as to an undivided 1/9 interest, and PATRICIA B. LESTER and HOWARD LESTER, as Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, as to an undivided 1/3 interest (collectively, "Grantor"), having an address of 44 Coconut Row, Suite T1-T2, Palm Beach, Florida, 33480, in favor of PARKSIDE RETAIL INVESTMENTS LLC, a Florida limited liability company ("Grantee"), having an address of 701 South Olive Ave., Suite 104, West Palm Beach, Florida, 33401.

WITNESSETH:

Grantor, in consideration of the premises and the sum of TEN AND NO/100 DOLLARS (\$10.00) in hand paid, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms to Grantee, and Grantee's successors and assigns forever, that certain real property situate in Palm Beach County, Florida, more particularly described as follows (the "Property"):

SEE EXHIBIT "A" ATTACHED HERETO.

TO HAVE AND TO HOLD the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, including all oil rights and mineral rights, and all the estate, right, title, interest, lien, equity and claim whatsoever of Grantor, either in law or equity, to the only proper use, benefit and behalf of Grantee forever.

SUBJECT TO the following:

1. Taxes and assessments for the year 2013 and all subsequent years;
2. All applicable governmental, zoning and land use ordinances, restrictions, and prohibitions and other requirements imposed by governmental authority;
3. Agreements and easements of record;
4. Parties in possession pursuant to leases;

WPB_ACTIVE 5677221.2

5. Easements, claims of easements, boundary line disputes, overlaps, encroachments or other matters not shown by the Public Records which would be disclosed by an accurate survey of the Property; and
6. Further subject to those matters described on Exhibit "B" attached hereto.

AND GRANTOR covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that it has good right and lawful authority to sell and convey the Property; and that it hereby fully warrants the title to said Property and will defend the same against the lawful claims of all persons whomsoever, claiming by, through or under Grantor. The foregoing warranty of Grantor only applies with respect to each Grantor to claims and other matters arising during the period of time that such Grantor has held title to the Property.

GRANTOR, ROBERT THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 10533 Davis Road, West Winfield, NY 13491.

GRANTOR, RICHARD THALL, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 165 Feeks Lane, Lattingtown, NY 11560.

GRANTOR, PETER L. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 25 Field Point Circle, Greenwich, CT 06830.

GRANTOR, PAUL H. BRIGER, AFFIRMS THAT THE HEREIN DESCRIBED PROPERTY IS NOT HIS HOMESTEAD, AND NOT CONTIGUOUS THERETO, HAS NEVER BEEN HIS HOMESTEAD NOR THAT OF HIS SPOUSE, AND THAT HE RESIDES AT : 51 Commonwealth Avenue, Boston, MA 02116.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned has set his hand and seal on behalf of Grantor on the day and year first above written.

Signed, sealed and delivered in the presence of:

GRANTOR:

David Cloutier
Print Name: David Cloutier
Arse
Print Name: ARSENIO LOBO

Paul H. Briger
Paul H. Briger

STATE OF MASSACHUSETTS)
) ss.
COUNTY OF SUFFOLK)

The foregoing instrument was acknowledged before me this 18TH day of DECEMBER 2013, by Paul H. Briger, who is personally known to me or has produced U.S. PASSPORT as identification.

(Notary Seal)



Notary Public-State of MASSACHUSETTS
Print Name: ARSENIO LOBO
My Commission No: B93923
My Commission expires: OCTOBER 16, 2020

Print Name: _____

Peter L. Briger

Print Name: _____

This

Erika Saldano
Print Name: Erika Saldano

Peter L. Briger
Peter L. Briger

Johanna Velazquez
Print Name: Johanna Velazquez

Notary Public
Commission Expires 06/02/2015

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

The foregoing instrument was acknowledged before me this 13 day of DECEMBER 2013, by Peter L. Briger, who is personally known to me or has produced _____ as identification.

Joy Wiltermuth

(Notary Seal)

Notary Public-State of New York
Print Name: Joy Wiltermuth
My Commission No: 01WI-6093589
My Commission expires: June 02, 2015

This

Print Name: Jeffrey S. Riegler

Print Name: Richard Thal

Richard A. Hall
Richard Thal

STATE OF New York)
COUNTY OF Nassau)ss.

The foregoing instrument was acknowledged before me this 18 day of December 2013, by Richard Thal, who is personally known to me or has produced as identification.

(Notary Seal) JEFFREY S. RIEGLER
Notary Public, State of New York
No. 0255077212
Qualified in Nassau County
Commission Expires 05/05/2015

Jeffrey S. Riegler
Notary Public-State of NY
Print Name: Jeffrey S. Riegler
My Commission No: _____
My Commission expires: _____

This

Gail B Smith
Print Name: GAIL B SMITH

Robert Thall
Robert Thall

Kathleen A. Evans
Print Name: KATHLEEN A. EVANS

STATE OF New York)
COUNTY OF Herkimer) ss.

The foregoing instrument was acknowledged before me this 18th day of December 2013, by Robert Thall, who is personally known to me or has produced _____ as identification.

(Notary Seal)

GAIL B SMITH
Notary Public - State of New York
No. 01SM4861265
Commission Expires June 16, 2014

Gail B Smith
Notary Public-State of _____
Print Name: _____
My Commission No: _____
My Commission expires: _____

This is not a certified copy

THE LESTER FAMILY INVESTMENTS,
L.P., a Delaware limited partnership

By: PHL FINANCIAL CONSULTING
CO., INC., its general partner

By: [Signature]
Prescott Lester, President

[Signature]
Print Name: Charles A. Lubitz

[Signature]
Print Name: Ann Z. Anders

STATE OF FLORIDA)
COUNTY OF PALM BEACH)ss.

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Prescott Lester, the President of PHL Financial Consulting Co., Inc., the general partner of THE LESTER FAMILY INVESTMENTS, L.P., a Delaware limited partnership, on behalf of the limited partnership. He is personally known to me or has produced _____ as identification.

[Signature]
Notary Public-State of Florida
Print Name: Ann Z. Anders
My Commission No: DD 987672
My Commission expires: 6/13/2014

(Notary Seal)



This is not a certified copy

THE DAVID MINKIN FLORIDA
REALTY TRUST DATED
DECEMBER 12, 1996

Charles A. Lubitz
Print Name: Charles A. Lubitz

Patricia B. Lester
Patricia B. Lester, Co-Trustee

Ann Z. Anders
Print Name: Ann Z. Anders

Howard Lester
Howard Lester, Co-Trustee

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 18th day of December, 2013, by Patricia B. Lester and Howard Lester, Co-Trustees of THE DAVID MINKIN FLORIDA REALTY TRUST DATED DECEMBER 12, 1996, on behalf of the Trust. They are personally known to me or have produced _____ as identification.

Ann Z. Anders

Notary Public State of Florida
Print Name: Ann Z. Anders
My Commission No: DD 987672
My Commission expires: 6/13/2014

(Notary Seal)



EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

A PARCEL OF LAND LYING IN THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 41 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 26; THENCE SOUTH 01°20'36" WEST ALONG THE EAST LINE OF SAID SECTION 26, A DISTANCE OF 75.02 FEET TO A LINE PARALLEL WITH AND 75.00 FEET SOUTHERLY OF THE NORTH LINE OF SAID SECTION 26, SAID LINE BEING THE SOUTHERLY RIGHT-OF-WAY LINE OF DONALD ROSS ROAD AS DESCRIBED IN DEED BOOK 1031, PAGE 628, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DEED BOOK 1036, PAGE 478 OF SAID PUBLIC RECORDS; THENCE SOUTH 89°55'46" WEST ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 466.38 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 01°20'36" WEST ALONG THE WEST PROPERTY LINE OF A 5.00 ACRE FLORIDA POWER AND LIGHT COMPANY PARCEL AS DESCRIBED IN OFFICIAL RECORD BOOK 24905, PAGE 1753 OF SAID PUBLIC RECORDS, A DISTANCE OF 467.06 FEET; THENCE NORTH 89°56'25" EAST ALONG THE SOUTH PROPERTY LINE OF SAID FLORIDA POWER AND LIGHT COMPANY PARCEL, A DISTANCE OF 126.75 FEET; THENCE SOUTH 01°20'36" WEST, A DISTANCE OF 385.40 FEET; THENCE SOUTH 39°45'34" EAST, A DISTANCE OF 63.42 FEET; THENCE SOUTH 37°50'08" WEST, A DISTANCE OF 62.69 FEET; THENCE SOUTH 89°55'46" WEST, A DISTANCE OF 646.35 FEET; THENCE SOUTH 00°04'14" EAST, A DISTANCE OF 20.00 FEET; THENCE SOUTH 89°55'46" WEST, A DISTANCE OF 888.71 FEET; THENCE SOUTH 84°13'08" WEST, A DISTANCE OF 150.75 FEET; THENCE SOUTH 89°55'46" WEST, A DISTANCE OF 175.00 FEET; THENCE SOUTH 44°55'46" WEST, A DISTANCE OF 35.36 FEET; THENCE NORTH 00°04'14" WEST, A DISTANCE OF 985.85 FEET; THENCE NORTH 44°55'46" EAST, A DISTANCE OF 35.36 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF DONALD ROSS ROAD; THENCE NORTH 89°55'46" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1752.78 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 40.67 ACRES (1,771,616 SQUARE FEET) MORE OR LESS.

TOGETHER WITH AN UNDIVIDED 75% OF THE PETROLEUM AND MINERAL RIGHTS WITH RESPECT TO THE PROPERTY DESCRIBED IN DEED BOOK 1107, PAGE 685, AND IN DEED BOOK 1146, PAGE 58, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

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In addition to the limitations on the warranties of Grantor expressly set forth in this Special Warranty Deed (the "Deed"), the following limitations and clarifications shall apply to Grantor's liability with respect to its warranties set forth in this Deed:

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3. The Property described on Exhibit "A" to this Deed is intended to be a portion of the property acquired by Grantor's predecessors in title in that certain Warranty Deed from Bella Meyerson as grantor and David Minkin, Elias Thall and Dorothy Tball, husband and wife, and Sigmund S. Briger and Lillian Briger, husband and wife, as grantees, recorded in Deed Book 1146, Page 63, of the Public Records of Palm Beach County, Florida.

QUALIFICATIONS OF APPRAISER

JOHN KENNETH PARRISH, JR., MAI, SRA
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER #RZ249

PERSONAL

Born in Winter Haven, Florida. Resident of Treasure Coast Area for 44 years.
Licensed as a Broker with Florida Real Estate Commission #0404285.

PROFESSIONAL DESIGNATIONS

Member - The Appraisal Institute
MAI Certificate No. 7980
SRA Senior Residential Appraiser

EDUCATION

University of Florida
Florida Atlantic University:
B.A. Degree in Business Administration, 1982.

PROFESSIONAL COURSES

Society of Real Estate Appraisers Course 102, July 1983
Society of Real Estate Appraisers Course 201, October 1983
Society of Real Estate Appraisers Course 202, November 1984
Society of Real Estate Appraisers Course 101, May 1985
SREA Narrative Demonstration Report, June 1986
SREA Experience Evaluation completed, February 1987
American Institute Course #2 - 3, March 1985
American Institute Course #1A - 1, March 1986
American Institute Course #1A - 2, March 1986
American Institute Course #1B - A, September 1986
American Institute Course #1B - B, September 1986
American Institute Course #2 - 1, March 1987
American Institute Course #2 - 2, July 1987
AIREA Narrative Demonstration Report, January 1988
American Institute Comprehensive Exam, February 1988
AIREA Experience Evaluation Completed October 1988
Appraisal Institute Litigation Valuation Course, March 1991

Served as a Special Master to oversee Tax Appeals for
Palm Beach County

Qualified as an Expert Witness, Palm Beach, Martin, St. Lucie, Broward and Nassau
County Circuit Courts

J. Kenneth Parrish (Cont'd)

SEMINARS ATTENDED (LAST 5 YEARS)

Supervisor Course/Trainee Roles and Rules (April 2008)
Introduction to Expert Witness Testimony (February 2010)
The Cost Approach (February 2010)
Florida Appraisal Laws and Regulations (February 2010)
Ad Valorem Tax Consultation (February 2010)
Florida Supervisor/Trainee Roles and Relations (February 2010)
7-Hour National USPAP (June 2010)
Appraising and Analyzing Office Buildings for Mortgage Underwriting (June 2011)
Ad Valorem Tax Consultation (June 2011)
Appraising Apartments (July 2011)
Florida Appraisal Laws and Regulations (April 2012)
The Dirty Dozen (April 2012)
Foundations of Sustainability (April 2012)
How to Analyze and Value Income Properties (April 2012)
Green Building Applications for Appraisers (April 2012)
Business Practice and Professional Ethics (April 2012)
7-Hour National USPAP (April 2012)
Curriculum Overview – General (May 2012)
Curriculum Overview – Residential (May 2012)

PROFESSIONAL SERVICE

Candidate Guidance Chairman, SREA Chapter #200, 1989-1990
Vice President/Admissions Chairman, SREA Chapter #200, 1990
President Elect, Appraisal Institute, Palm Beach Chapter, 1991
President, Appraisal Institute, Palm Beach Chapter, 1992
Served on Appraisal Institute Experience Review Committee 1989-2000

TYPES OF VALUATION/CONSULTATION SERVICES PERFORMED

Appraisals	Leasehold & Leased Fee
Appraisal Reviews	Valuations
Condemnation	Market Studies
Court Testimony	Reproduction/Replacement
Estate Valuations	Cost Estimates
Feasibility Studies	Partial Interest Valuation
Highest and Best Use Studies	Real Estate Consultation & Research
Tax Assessment Appeals/Impact Studies	

WORK EXPERIENCE

Partner, appraisal firm of Parrish & Edwards, Inc.
July 1985 - Present
Principal Golf Investment Advisors – October, 1998 to June, 2001

QUALIFICATIONS OF APPRAISER

Joseph N. Stair

State Certified General Real Estate Appraiser #RZ2952

Personal

Born in Chicago, Illinois; Resident of Palm Beach County, Florida since January 1989.

Education

Eastern Illinois University – 1983-1987, Bachelor of Arts Degree

Professional Courses

Goldcoast Professional School
AB1-Lic. Res. Appraisal Course 1, 1998
Business Appraisal
AB2-Lic. Res. Appraisal Course 2, 2004
AB3-Lic. General Appraisal Course, 2004
National USPAP Update, 2004

Work Experience

1995-1998 - Owned and Operated - Putter Around III (Golf Club Sales and Manufacturing)

March 1999 to Present - Commercial Appraiser with the appraisal firm of Parrish & Edwards, Inc.

Types of Property Appraised

Medical Condos	Car Washes
Hotels	Feasibility Study
Motels	Restaurants
Daycare Facilities	Golf Courses
Office Warehouse	Schools
Multi-Tenant Office Buildings	Community Centers
Commercial Retail	Marinas
Vacant Commercial Land	Automobile Dealership
Vacant Residential Land	Office/Warehouse Condos
Vacant Civic Land	
Vacant Agricultural Land	
Single Family Residential	
Gas Stations	
Special Purpose Properties	
Auto Service Stations	
Mini Storage Facilities	
Multi Tenant Residential	
Mobile Home Parks	



STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD
1940 N. MONROE ST.
TALLAHASSEE FL 32399-0783

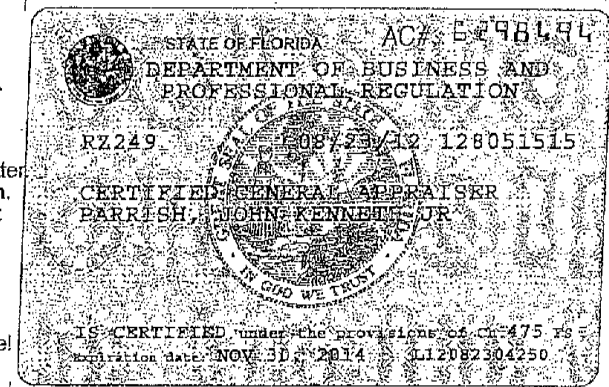
850-487-1395

PARRISH, JOHN KENNETH JR
3418 W MALLORY BLVD
JUPITER FL 33458

Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation. Our professionals and businesses range from architects to yacht brokers, from boxers to barbeque restaurants, and they keep Florida's economy strong.

Every day we work to improve the way we do business in order to serve you better. For information about our services, please log onto www.myfloridalicense.com. There you can find more information about our divisions and the regulations that impact you, subscribe to department newsletters and learn more about the Department's initiatives.

Our mission at the Department is: License Efficiently, Regulate Fairly. We constantly strive to serve you better so that you can serve your customers. Thank you for doing business in Florida, and congratulations on your new license!



DETACH HERE


THIS DOCUMENT HAS A COLORED BACKGROUND, MICROPRINTING, LINE MARKS, PATENTED PAPER

6298494 STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD SEQ# L12082304250

DATE	BATCH NUMBER	LICENSE NBR
11/23/2012	128051515	RZ249

CERTIFIED GENERAL APPRAISER
as provided below IS CERTIFIED
under the provisions of Chapter 475, F.S.
expiration date: NOV 30, 2014

PARRISH, JOHN KENNETH JR
3418 WEST MALLORY BLVD
JUPITER FL 33458



RECK SCOTT GOVERNOR KEN LAWSON SECRETARY



STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD
1940 N. MONROE ST.
TALLAHASSEE FL 32399-0783

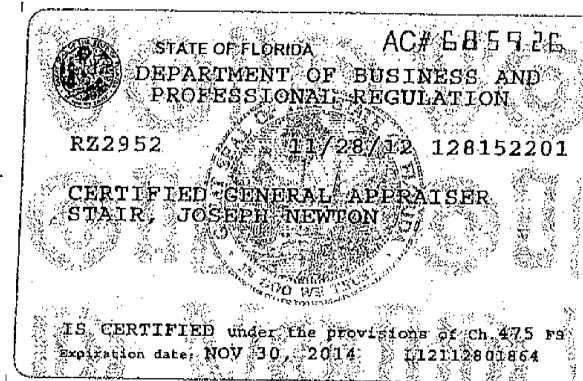
850-487-1395

STAIR, JOSEPH NEWTON
7164 SADDLE ROAD
LAKE WORTH FL 33463

Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation. Our professionals and businesses range from architects to yacht brokers, from boxers to barbeque restaurants, and they keep Florida's economy strong.

Every day we work to improve the way we do business in order to serve you better. For information about our services, please log onto www.myfloridalicense.com. Here you can find more information about our divisions and the regulations that impact you, subscribe to department newsletters and learn more about the department's initiatives.

Our mission at the Department is: License Efficiently, Regulate Fairly. We constantly strive to serve you better so that you can serve your customers. Thank you for doing business in Florida, and congratulations on your new license!



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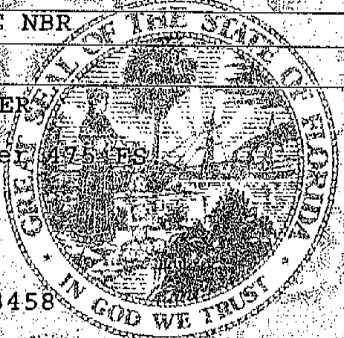
STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

SEQ# L12112801864

DATE	BATCH NUMBER	LICENSE NBR
11/28/2012	128152201	RZ2952

CERTIFIED GENERAL APPRAISER
STAIR, JOSEPH NEWTON
11/28/2012 IS CERTIFIED
under the provisions of Chapter 475, F.S.
Expiration date: NOV 30, 2014



STAIR, JOSEPH NEWTON
3418 MALLORY BLVD
JUPITER

FL 33458

APPENDIX J
FORMS OF LITIGATION OPINIONS

Appendix J includes the forms of the Litigation Opinions. See "Litigation-Permit Challenge."

Each of Gunster, Yoakley & Stewart, P.A., counsel to the therein identified Alton Group, and Ciklin Lubitz Martens & O'Connell, special litigation counsel to the District, propose to issue two opinions. The opinions of each firm will be substantively identical except for the identification of their respective roles in the transaction.

Pages J-1 through J-147 set forth the opinions of Gunster, Yoakley & Stewart, P.A., and pages J-148 through J-161 set forth the opinions of Ciklin Lubitz Martens & O'Connell. The exhibits appended to the opinions of the two firms are identical, and are included herein only as part of the Gunster, Yoakley & Stewart, P.A. opinions.

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November ___, 2014

Northern Palm Beach County Improvement District
Palm Beach County, Florida

Raymond James & Associates
St. Petersburg, Florida

FMS Bonds, Inc.
Miami, Florida

Re: \$_____ Northern Palm Beach County Improvement District Water Control and Improvement Bonds Unit of Development No. 2C (the "Series 2014 Bonds") – NOTICE OF APPEAL

Ladies & Gentlemen:

We have acted as special real estate and litigation counsel to: (i) KH Alton LLC, a Florida limited liability company ("KH Alton"); and (ii) certain affiliates of KH Alton, consisting of KG Donald Ross LLC, Parkside Retail Investments LLC, Heights Biotech Investments LLC, and Grandiflora Multifamily Investments LLC, each of which is a Florida limited liability company (collectively, the "Alton Group"). As more particularly set forth in our Firm's other opinion given to you of even date herewith, KH Alton and the Alton Group hold title to certain tracts of real property within Unit of Development No. 2C ("Unit 2C") which is a unit of development within the Northern Palm Beach County Improvement District (the "District").

You have asked us to express our opinion with respect to that certain Notice of Appeal filed by Rachel Kijewski (the "Appellant") on September 10, 2014 ("Notice of Appeal"), with respect to that certain "Order" issued by the South Florida Water Management District ("SFWMD") dated August 11, 2014 Dismissing Petitioner's Response to SFWMD's Order Dismissing Amended Petition for Administrative Hearing and Denying Motion to Transfer Case to Administrative Law Judge (the "2014 Final Order"). This opinion letter is furnished to you at the request and with the consent of KH Alton and the Alton Group, in connection with the issuance by the District of the Series 2014 Bonds (the "Transaction") as described in the District's Preliminary Official Statement dated [_____], 2014, including the appendices attached thereto (collectively, the "Preliminary Official Statement") and the Official Statement, dated [_____], 2014, including the appendices attached thereto (the "Final Official Statement" and, together with the Preliminary Official Statement, the "Official Statements"). It is our understanding that the Series 2014 Bonds are being issued to provide funds to: (i) finance the costs of certain Improvements related to the District's Unit 2C (the "Project"), (ii) pay certain costs associated with the issuance of the Bonds, and (iii) make a deposit to the Bond Fund and the Reserve Fund for the Series 2014 Bonds.

For purposes of rendering this opinion, and in our capacity as real estate and litigation counsel to KH Alton and the Alton Group, we have reviewed the following documents: (i) the Notice of Appeal; and (ii) all of the documents with respect to the underlying administrative proceeding of SFWMD (SFWMD Case No. 2014-072-DAO-ERP) ("SFWMD Proceeding")

(collectively, the “SFWMD Administrative Proceeding Record”).

Members of our firm involved in the preparation of this letter are licensed to practice law in the State of Florida. We do not express any opinion concerning any law other than the law of the State of Florida and the federal laws of the United States. As special litigation counsel, we have represented KH Alton and the Alton Group as counsel of record in the SFWMD Proceedings.

As to any questions of fact material to this opinion letter, we have relied with your approval solely upon our examination of the SFWMD Administrative Proceeding Record and have made no independent verification or inquiry as to the facts asserted to be true and correct in these documents (provided, however, no facts have come to our attention that would give us actual knowledge or actual notice that any such facts are not accurate and complete), and have considered such questions of law as we have deemed relevant and necessary for the purpose of rendering the opinions set forth herein.

Whenever our opinion with respect to the existence or absence of facts is indicated to be based on our knowledge (actual or otherwise) or awareness, we have made no inquiries with respect to such matters other than what is set forth in the SFWMD Administrative Proceeding Record. We have not undertaken any other investigation to determine the existence or absence of such facts and no inference as to our knowledge concerning such facts should be drawn from the fact that representation of the client has been undertaken by us. Where any opinion or confirmation contained herein is qualified by the phrase “to our knowledge,” “known to us,” “known by us”, “of which we are aware” or the like, it means that the lawyers in the “primary lawyer group” are without any actual knowledge or conscious awareness, at the time this opinion letter is delivered by us on the date hereof, that the opinion or confirmation is untrue in any respect material to the opinion or confirmation. For purposes of this letter, “primary lawyer group” means: (i) the lawyer who signs his or her name or the name of the firm to the opinion letter, (ii) the lawyers currently in the firm who are actively involved in preparing or negotiating the opinion letter, and (iii) the lawyers currently in the firm who are actively involved in the SFWMD Proceeding and with respect to the Notice of Appeal and the appellate proceedings that will follow. Our opinion is limited to the matters expressly stated herein. No opinions are to be inferred or implied beyond the opinions expressly so stated.

Background Facts

This opinion letter concerns certain real property generally known as the “Briger Tract”, a 681.89-acre parcel of land located in northern Palm Beach County, Florida (the “Property”).

On April 16, 2010, SFWMD issued a conceptual Environmental Resource Permit (“ERP”) to KH Alton’s predecessor in interest to the Property, The David Minkin Florida Realty Trust, Richard Thall, Robert Thall, Peter L. Briger, Paul H. Briger, and The Lester Family Investments, LP (the “Lester Family”) and Palm Beach County as co-applicants under Application No. 090427-7 (Permit No. 50-00610-S-24) (the “Original Permit”). The Original Permit authorized conceptual approval of a surface water management system to serve 681.69 acres of mixed use development and mitigation consisting of on-site preservation and mitigation totaling approximately 91 acres, 193.92 acres of off-site wetland mitigation at the Palm Beach

County Pine Glades Natural Area and additional off-site mitigation at the Loxahatchee Mitigation Bank. At that time, the development was known as Scripps Florida Phase II / Briger.¹

In May of 2010, the following persons and entities challenged the Original Permit: Palm Beach County Environmental Coalition (“PBCEC”), Panagioti Tsoikas, Carol Strick, Suki DeJong, Alfred Lark, Christian Minaya, Alexandria Larson, and Rosa Durando (collectively, “2010 Petitioners”). The 2010 Petitioners² commenced a Division of Administrative Hearings (“DOAH”) proceeding under DOAH Case No. 10-3100 (“2010 Challenge”).³

A Final Hearing on the merits was held on October 5-6, 2010.⁴ The Administrative Law Judge heard testimony as to the merits on claims related to the surface water management system, the SFWMD’s ERP permitting criteria, water quality criteria, water quality, the Hazardous Waste Management Plan, reduction and elimination of impacts to wetlands and other surface waters, secondary impacts, mitigation, fish and wildlife and listed species, the public interest test, and the Florida Coastal Management Program. Despite full participation in the proceeding, the ALJ found that Petitioners Tsoikas and Minaya failed to demonstrate standing. The ALJ found the Respondents Lester Family and Palm Beach County gave reasonable assurances that the SFWMD’s conditions for issuance of a conceptual ERP were met. The ALJ issued a Recommended Order recommending issuance of the Original Permit. On January 3, 2011, SFWMD’s final order (Order No. SFWMD 2011-001-FOF-ERP) (“2011 Final Order”) approved the issuance of the Original Permit, and it became final agency action.⁵ No further appeals were filed.⁶

Procedural History

On April 9, 2014, SFWMD provided notice of intended agency action to issue construction permits pursuant to Application No. 131119-5, ERP No. 50-00610-S-24, (issued to Northern Palm Beach County Improvement District, KH Alton, LLC, KG Donald Ross, LLC, Heights Biotech Investments, LLC, Parkside Retail Investments, LLC, Grandiflora Multifamily Investments, LLC, Palm Beach County and Florida Power & Light Company, collectively referred to as “Respondents”), for conceptual modification to a 681.89-acre mixed-use development, along with 88.14 acres of construction, including portions of the spine roads and stormwater management system, and Application No. 131216-7, ERP No. 50-00610-S-24 (issued to KH Alton, LLC), for modification of the stormwater system to serve 58.11 acres of residential development (those two permits are hereinafter collectively referred to as the “2014 Original Agency Action.” The 2014 Original Agency Action does not contain authorization to construct a biotechnology facility.

¹ A staff report addendum was issued on May 4, 2010 and incorporated into the Original Permit.

² Neither this law firm nor any member of the Alton Group were included in the 2010 challenge. The information presented here is taken from the record of the 2010 challenge.

³ See *Tsoikas v. The David Minkin Florida Realty Trust*, Case No. 10-3100 (DOAH Nov. 30, 2010; SFWMD Jan. 3, 2011).

⁴ Only Petitioners Tsoikas and Minaya appeared at the Final Hearing.

⁵ See *Tsoikas v. The David Minkin Florida Realty Trust*, Case No. 10-3100 (DOAH Nov. 30, 2010; SFWMD Jan. 3, 2011).

⁶ The permittees extended the expiration date of the Original Permit in 2011 and 2012.

On the same day, SFWMD also provided notice of intended agency action to issue three water use permits, which included: Application No. 140212-1 for the new use of surface water from the on-site lake in Phase 1 for landscape irrigation of 29.53 acres of turf using sprinkler irrigation system with maximum monthly allocation of 5.58 million gallons (the "Irrigation Permit") for the Property; Application No. 140211-13 for the new use of surface water from the water table aquifer for short-term dewatering necessary for the construction of water management lakes and associated structures, and for the installation of drainage and sanitary sewer systems on the Property; Application No. 140321-16 for the new use of surface water from the water table aquifer for short-term dewatering necessary for the installation of a drainage system and sanitary sewer systems on the Property. The three water use permits are hereunder collectively referred to herein as the "Water Use Permits".

On April 29, 2014, Petitioner, PBCEC, filed a petition listing the five SFWMD permit application numbers that the SFWMD issued notice of intended agency action on April 9, 2014 (the "Original Petition").⁷ The Respondents moved to dismiss, and on May 20, 2014, the SFWMD dismissed the Original Petition with leave to amend.⁸

In dismissing the Original Petition, SFWMD found that the Original Petition alleged several disputed issues of material fact, including failure to address water quality impacts, cumulative impacts, protection of endangered or protected species, and consistency with the Florida Coastal Management Program, and stated: "*These issues were considered and fully adjudicated in the 2010 Challenge challenging the original conceptual permit for this project The Petition fails to state how these alleged disputed issues are different from the issues already adjudicated.*"⁹ SFWMD also concluded, "*The Applicant Respondents are correct that matters already determined in a conceptual permit cannot be reconsidered in a subsequent construction permit proceeding Petitioner must allege disputed issues of material fact exist other than those that were previously adjudicated.*"¹⁰ SFWMD also concluded that the Petition failed to meet the pleading requirements of paragraphs 28-106.201(2)(b),(e),(f),and (g), Fla. Admin. Code, and PBCEC had failed to allege its capacity to initiate an administrative proceeding.

Also on May 20, 2014, SFWMD added the following special condition to Application No. 131119-5 and Application No. 131216-7 (the "Hazardous Waste Condition"), pertaining to submission of a Hazardous Waste Management Plan ("HWMP") and attached a notice of rights:¹¹

⁷ Rachel Kijewski signed the Original Petition on behalf of PBCEC. Panagioti Tsolkas also signed the Original Petition. SFWMD made findings of fact that PBCEC, Rachel Kijewski, and Panagioti Tsolkas were petitioners on the Original Petition. See SFWMD Order Dismissing with Leave to Amend, SFWMD Order No. 2014-041-DAO-ERP, dated May 20, 2014.

⁸ See SFWMD Order Nos. 2014-041-DAO-ERP, 2014-042-DAO-WU, 2014-043-DAO-WU, and 2014-044-DAO-WU.

⁹ See SFWMD Order Dismissing Petition with Leave to Amend, SFWMD Order Nos. 2014-041-DAO-ERP, dated May 20, 2014 at ¶9 (citing Application No. 090427-7, ERP No. 50- 00610-S-24, Order No. SFWMD 2011-001-FOF-ERP).

¹⁰ *Id.* at ¶ 19 (citing *Perdue v. T.J. Palm Assocs. Ltd.*, 775 So. 2d 660 (Fla. 4th DCA 1999)).

¹¹ The applicable HWMP condition that the May 20, 2014 Special Conditions modified stated: "Special Condition #33 requires that the applicant submit a Hazardous Waste Management Plan at the time of application for construction. In addition, the applicant is required to obtain any necessary permits from the Florida Department of

At the time of application for the construction of facilities within the conceptually approved biotechnology parcels (shown as Parcels A 1-SCR and A 1-B10 on Exhibit 2, page 1 of 2), the permittee(s) shall submit a hazardous waste management plan that provides reasonable assurance that hazardous materials will not enter the stormwater management system.

On June 9, 2014, PBCEC filed an Amended Petition and also listed Rachel Kijewski, Panagioti Tsolkas, David Simms, and Christian Minaya as petitioners (the “Amended Petition”). The Amended Petition was devoid of any allegations as to the Water Use Permits.¹² The Amended Petition challenged both the 2014 Original Agency Action and the Hazardous Waste Condition.

On July 11, 2014, SFWMD issued an Order Dismissing Portions of the Amended Petition with Prejudice and Granting Limited Leave to Amend (the “July 11th Order”). In the July 11th Order, SFWMD found the same deficiencies in the allegations regarding the 2014 Original Agency Action, that is, Petitioners impermissibly sought to relitigate issues that were previously litigated and resolved in the 2011 Final Order. Finding that the Petitioners were given an opportunity to cure defects in their Original Petition and had failed to do so, SFWMD dismissed these allegations with prejudice. SFWMD also found that Petitioners Simms and Minaya were untimely as to their challenge of the 2014 Original Agency Action and dismissed their claims with prejudice. As to the Hazardous Waste Condition, SFWMD found that the allegations were insufficient, but allowed a second opportunity to amend the petition limited only to the Hazardous Waste Condition. The deadline to file an amended petition was 5:00 p.m. on July 21, 2014.

Petitioners did not file an amended petition prior to the deadline of 5:00 p.m. on July 21, 2014. Petitioners served their “Response to [SFWMD’s] Order Dismissing Amended Petition for Administrative Hearing” (the “Late Response”) on Respondents’ counsel after 5:00 p.m. on July 21, 2014, but it was not filed with the SFWMD Clerk.

SFWMD treated the Petitioners’ Late Response as a “Second Amended Petition” and dismissed it with prejudice by order dated August 11, 2014, referred to herein as the “2014 Final Order.”¹³ SFWMD supported its order with multiple findings as to why the Late Response was insufficient. SFWMD reiterated the findings in its prior July 11th Order that all issues related to the 2014 Original Agency Action were dismissed with prejudice and the issues were limited to the Hazardous Waste Condition. SFWMD further found that as either a request for additional time or as a second amended petition, the Petitioners’ Late Response was procedurally deficient in that it was untimely and improperly filed. Considering the substance of the Late Response, as limited to the Hazardous Waste Condition issue, the SFWMD found the Second Amended Petition failed to follow the Uniform Rules of Procedure in Rule 28-106.201(2), F.A.C. and

Environmental Protection for the handling of hazardous waste materials.”

¹² Because no amended petition was filed as to these water use applications, two of the applications became final permits, which were issued as of April 9, 2014. The Irrigation Permit was issued on October 1, 2014, after Seacoast Utility Authority withdrew its objection.

¹³ In the interim, on July 28, 2014, Petitioners filed a Motion to Transfer Case, which SFWMD denied in the 2014 Final Order.

failed to demonstrate how Petitioners' substantial interests would be affected by the Hazardous Waste Condition.

On September 10, 2014, a single Petitioner, Rachel Kijewski, (the "Appellant") filed a Notice of Appeal in the Fourth District Court of Appeal ("4th DCA").¹⁴ The Administrative Procedures Act, § 120.68(2)(a), Fla. Stat., adopts the appellate deadline provided by the Florida Rules of Appellate Procedure Rule 9.110(c), which in turn, states "In an appeal to review final orders of lower administrative tribunals, the appellant shall file the notice with the clerk of the lower administrative tribunal within 30 days of rendition of the order to be reviewed, and shall also file a copy of the notice, accompanied by any filing fees prescribed by law, with the clerk of the court." Fla. R. App. P. 9.110(c). While a timely appeal is jurisdictional, that is, mandatory to invoke the appellate court's jurisdiction, the appeal of a final agency action is timely if within 30 days of the agency action, a notice of appeal is filed either with the appellate court or the agency. *Belvue v. Florida Unemployment Appeals Comm'n*, 812 So. 2d 444, 445 n.1 (Fla. 3d DCA 2001) (citing *Hines v. Lykes Pasco Packing*, 374 So.2d 1132, 1133 (Fla. 2d DCA 1979)). Therefore, under Florida law, Appellant's notice of appeal was timely.

Procedure of Appeal

SFWMD will assemble the administrative record and transmit it to the 4th DCA. The parties will have the opportunity to file briefs. Appellant's Initial Brief is due within 70 days¹⁵ after the Notice of Appeal was filed with the 4th DCA, which would make the Initial Brief due on November 19, 2014.¹⁶

The Respondents (now, "Appellees") may request an expedited review and scheduling order from the 4th DCA based on Appellant's continued failure to allege proper standing as well as procedural history of the case, coupled with the prejudice to Appellees as a result of further time delays.

Burdens and Standard of Review

In an appeal from final administrative action, appellate courts review the agency's findings of fact to determine if they are supported by competent, substantial evidence. *Dorcely v. State Dept. of Bus. & Prof'l Regulation*, 22 So. 3d 834, 836 (Fla. 4th DCA 2009) (citing § 120.68(7)(b), Fla. Stat.) The agency's conclusions of law are reviewed *de novo*. *Id.* (citing § 120.68(10), Fla. Stat.). Further, with regard to interpreting statutes and rules an agency is charged with implementing and enforcing, the appellate court "will defer to the agency's conclusions of law unless they are clearly erroneous or contrary to law." *U.S. Blood Bank, Inc. v. Agency for Workforce Innovation*, 85 So. 3d 1139, 1142 (Fla. 3d DCA 2012) (citing *Palm Beach Cnty. Canvassing Bd. v. Harris*, 772 So. 2d 1273, 1283 (Fla. 2000)).

Stay Pending Appeal

¹⁴ The notice of appeal was filed with the 4th DCA at 3:24 p.m. on the last day of the appeal deadline.

¹⁵ Under Fla. R. App. P. 9.110(e), the SFWMD Clerk must serve the parties with the Index of Record. The Initial Brief is due 20 days thereafter.

¹⁶ Fla. R. App. P. 9.110(f).

Under Rule 9.310, which is the general Rule governing stays on appeal, a party may only seek to stay an order “pending review,” that is, an order which has been appealed. Therefore, here, the only order Appellant may seek to stay is the 2014 Final Order. Moreover, a stay of the 2014 Final Order is not automatic. Fla. R. App. P. 9.190(e)(1).

Generally, an appellant is required to request a stay from the lower tribunal, here, SFMWD. Fla. R. App. P. 9.310(a). However, when the matter under review is an agency action, appellant may also seek a stay with the appellate court upon a showing of good cause. Fla. R. App. P. 9.190(e)(2). “Nevertheless, in most cases [appellate courts] continue to adhere to the general requirement of rule 9.310(a) that an applicant should first seek relief in the lower tribunal.” *MSQ Properties v. Florida Dept. of Health & Rehabilitative Servs.*, 626 So. 2d 292, 293 (Fla. 1st DCA 1993); *Trombley v. Florida Real Estate Comm'n*, 356 So. 2d 813, 813 (Fla. 4th DCA 1977).

A stay *may* be conditioned on the posting of a good and sufficient bond, other conditions, or both. Fla. R. App. P. 9.190(e)(3). The posting and amount of the bond, as well as whether to issue a stay, is within the discretion of the lower tribunal. See, e.g., *Terrell Oil Co. v. Dep't of Transp.*, 541 So. 2d 713, 715 (Fla. 1st DCA 1989).

Outcome If Appellant Wins Appeal

Based on Appellant's Notice of Appeal, which identified only the 2014 Final Order as being appealed, we expect the underlying issues on appeal to be limited to review of that 2014 Final Order dismissing the Late Response (i.e., so-called Second Amended Petition) with prejudice.

We will argue that the Appellant waived appellate review of any prior SFWMD orders by virtue of failing to identify any other such orders in the Notice of Appeal. On appeal, we would seek affirmance of the 2014 Final Order on the following grounds; (1) Petitioners' failure to timely file a Second Amended Petition; (2) Petitioners' failure (again) to identify a basis for standing; (3) as to all issues other than the Hazardous Waste Condition, Petitioners' failure to appeal the July 11th Order; and (4) on the merits, Petitioners' failure to meet the requirements for a DOAH hearing.

If Appellants are successful, the 4th DCA could require SFWMD to allow Appellant to file a sufficient pleading as contemplated by the July 11th Order or order SFWMD to send the so-called Second Amended Petition to DOAH to begin an administrative proceeding. If the 2014 Final Order is reversed, and a permit challenge before DOAH is allowed to proceed, the ERP Permits, Application No. 131119-5, ERP No. 50-00610-S-24 and Application No.131216-7, ERP No. 50-00610-S-24 will revert from final agency action (which is their current status) to pending agency action. §120.60(1), Fla.Stat. Construction activities must cease under the ERP Permits, if they become pending agency action.

No Merits Legal Opinion

1). Florida Law Requires Dismissal of a Petition that Does Not Meet Pleading Requirements

The statutory framework that governs administrative proceedings and environmental permitting is contained in Florida's Administrative Procedure Act in Chapter 120, Florida

Statutes. Chapter 120 dictates the actions SFWMD must take when a petition is filed with the agency. Florida law clearly states that a petition that does not conform to the minimum pleading requirements, and is, therefore, insufficient cannot and should not be forwarded to DOAH. It must be dismissed. Moreover, it also states that a petition that contains a flaw that cannot be cured with an amended filing must likewise be dismissed.

Here, SFWMD afforded Petitioners three chances to correct their insufficient pleadings. Having failed at each and every time, we believe SFWMD correctly and in accordance with Chapter 120, Florida Statutes dismissed with prejudice. First, as explained above, the Petitioners served late, but never filed, a Late Response to SFWMD's July 11th Order. This Late Response did not follow the requirements set out in the July 11th Order for an adequate petition.

Setting the procedural insufficiencies aside, SFWMD still considered the content of the Late Response and determined it was inadequate as a petition, the earlier defects noted in the July 11th Order had not been cured, and dismissal was appropriate. Because SFWMD's actions afforded the Appellant every opportunity to avail itself of the administrative process, it is our opinion that the 4th DCA likely will not overturn the 2014 Final Order because SFWMD followed the law and construed it liberally in favor of Appellant. Appellant's failure to file a sufficient pleading is clear on the face of the pleadings. The law is likewise clear that an insufficient pleading cannot survive. As such, we find that the dismissal with prejudice was correct and clearly complied with the applicable law. It is our opinion that it is more likely than not that the 4th DCA will affirm the 2014 Final Order and the matter will not be reversed or referred to DOAH.

2). If The Matter Were to be Referred to DOAH, The Only Issue Remaining on The Merits Is The Hazardous Waste Condition, Which Is Moot and Petitioners Have No Standing To Succeed with A Challenge on The Merits

While we feel strongly regarding our legal position stated in number 1 above, if, in an unlikely circumstance the 4th DCA were to overturn SFWMD's dismissal with prejudice in the final order, it is our opinion that it is more likely than not that Appellant will not prevail on the merits with a challenge to the ERP permits. This is because the only viable issue remaining in the permits is the challenge to the Hazardous Waste Condition. This condition is not ripe for challenge because the 2014 Original Agency Action authorizes no construction that triggers the submittal of a HWMP. The first phase of development includes residential development only. No hazardous materials require management as part of the residential phase and as such no HWMP is required. Once an applicant proposes construction of a biotechnology facility, the applicant will seek a construction permit. At that point, a HWMP will be produced, and it will be ripe for an appropriate challenge. That time is not now. Almost squarely on point, is *Escambia County v. Trans Pac, Inc., and DEP*, where petitioners attempted to challenge the sale of a hazardous waste facility to another owner before the buyer was known, arguing that there was no assurance that the unknown buyer would be in compliance with Florida law regarding hazardous waste.¹⁷ The ALJ in that case dismissed this argument as "unripe" and pointed out that another point of entry would exist when the buyer was identified and the hazardous waste permit was transferred to the new owner. Similar to the *Escambia County* case, the nature of the

¹⁷ *Escambia County v. Trans Pac, Inc., and DEP*, Case No. 89-3760, 1990 WL 178696 (DOAH Apr. 16, 1990; DEP Jun. 1, 1990).

alleged HWMP is, at this point, unknown and unknowable because the only proposed development is residential.

The issue of mootness on the Hazardous Waste Condition is not new. Our opinions are supported by the prior ALJ's rulings. In the 2010 Challenge, the ALJ dismissed the challenge to a lack of a HWMP, essentially, for lack of ripeness. The current challenge is still not ripe. The ERP construction permits authorize only residential development and do not include authorization for the biotechnology parcels. As explained by the ALJ in the Original Proceedings: "[A] plan is not required now because it would need to address the specific uses for the property, which have not yet been designated."¹⁸ Such uses could not and cannot be designated, until the facilities potentially generating the hazardous waste – the biotechnology facilities – are known. The same reasoning still applies.

Moreover, the issue of whether a HWMP is needed now or is moot, is an issue that that the 4th DCA will likely defer to the agency's determination. This is because case law is clear that a court will grant an agency deference in the interpretation and application of rules within their unique and specialized jurisdiction.¹⁹ Environmental law is one such area where courts routinely defer to agencies in their interpretation of their substantive rules. Here, SFWMD is the expert on whether a HWMP is needed or not. Based on our review of the relevant regulations and case law, we believe the 4th DCA will likely defer to the agency's knowledge of its permitting structure and not second guess whether a HWMP is ripe or not.

As such, it is our opinion that even if the 4th DCA overturned the 2014 Final Order, the Appellant has no reasonable likelihood of prevailing on the merits before DOAH because the only issue remaining, the Hazardous Waste Condition, is moot and the 4th DCA will likely defer to the agency on this issue.

Opinions

Based upon the foregoing analysis and subject to the qualifications, limitations, assumptions and exceptions set forth herein, we are of the opinion that, as of the date hereof, although the matter is not free from doubt, assuming interpretation of the relevant law on a basis consistent with existing authority, we believe it is more likely than not that the highest court of the State of Florida having jurisdiction over the issue will ultimately hold that the 2014 Final Order was properly entered because the pleadings were insufficient and Appellant failed to cure the deficiencies despite numerous opportunities. Moreover, even if the matter was referred to DOAH, we believe it is more likely than not that Alton Group will prevail on the merits because the only remaining issue for challenge is not ripe and is inapplicable to the current ERP permits.

Our opinion is based solely on the applicable laws of the State of Florida and the federal laws of the United States, and facts, all as in existence on this date, and we express no opinion as to the effect which any future amendments, changes, deletions or modifications thereof may have upon our opinions expressed in this letter.

¹⁸ See *Tsolkas v. The David Minkin Florida Realty Trust*, Case No. 10-3100, RO at ¶ 29 (DOAH Nov. 30, 2010; SFWMD Jan. 3, 2011).

¹⁹ See *Dep't of Envtl. Reg. v. Goldring*, 477 So. 2d 532, 534 (Fla. 1985).

This letter is limited to the matters expressly stated herein, and no opinions or legal conclusions may be implied or inferred beyond the reasoned opinion expressly stated herein. We have assumed no obligation to advise you beyond the reasoned opinion specifically expressed herein. This letter and the opinion set forth herein are dated as of the date hereof and are limited to the facts described in this letter and to the relevant Florida laws in effect on the date hereof, we express no opinion as to circumstances or events that may occur subsequent to the date hereof, and we disclaim any obligation to update, revise or supplement this letter to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur.

This opinion letter is (a) not intended to be a guaranty of what determination will be made in each or any specific instance in which a court ruling is sought relative to the matters referred to herein, and (b) for your benefit in connection with the referenced transaction and may not be relied on by any other person without our prior written consent.

Very truly yours,

GUNSTER, YOAKLEY & STEWART, P.A.

November ___, 2014

Northern Palm Beach County Improvement District
Palm Beach County, Florida

Raymond James & Associates
St. Petersburg, Florida

FMS Bonds, Inc.
Miami, Florida

Re: \$ _____ Northern Palm Beach County Improvement District Water Control and
Improvement Bonds Unit of Development No. 2C (the "Series 2014 Bonds") –
2010 CONCEPTUAL PERMIT

Ladies & Gentlemen:

We have acted as special counsel to: (i) KH Alton LLC, a Florida limited liability company ("KH Alton"); and (ii) certain affiliates of KH Alton, consisting of KG Donald Ross LLC, Parkside Retail Investments LLC, Heights Biotech Investments LLC, and Grandiflora Multifamily Investments LLC, each of which is a Florida limited liability company (collectively, the "Alton Group"). As more particularly set forth in our Firm's other opinion given to you of even date herewith, KH Alton and the Alton Group hold title to certain tracts of real property within Unit of Development No. 2C ("Unit 2C") which is within the Northern Palm Beach County Improvement District (the "District").

You have asked us to express our opinion with respect to the status of the South Florida Water Management District ("SFWMD") Permit No. 50-00610-S-24 (the "2011 Conceptual Permit" - which is referred to as the "Original Permit" in the Official Statements). This is opinion letter is furnished to you at the request and with the consent of KH Alton and the Alton Group, in connection with the issuance by the District of the Series 2014 Bonds (the "Transaction") as described in the District's Preliminary Official Statement dated [____], 2014, including the appendices attached thereto (collectively, the "Preliminary Official Statement") and the Official Statement, dated [____], 2014, including the appendices attached thereto (the "Final Official Statement" and, together with the Preliminary Official Statement, the "Official Statements"). It is our understanding that the Series 2014 Bonds are being issued to provide funds to: (i) finance the costs of certain Improvements related to the District's Unit 2C (the "Project"), (ii) pay certain costs associated with the issuance of the Bonds, and (iii) make a deposit to the Bond Fund and the Reserve Fund for the Series 2014 Bonds.

For purposes of rendering this opinion, and in our capacity as special counsel to KH Alton and the Alton Group, we have reviewed the permit documentation attached hereto as Exhibits "A" through "E", inclusive (collectively, the "Permit Documentation"). Any terms not otherwise defined herein shall have the meaning ascribed thereto in the Official Statement.

Members of our firm involved in the preparation of this letter are licensed to practice law in the State of Florida. We do not express any opinion concerning any law other than the law of

the State of Florida and the federal laws of the United States. As special counsel for KH Alton and the Alton Group, we have represented KH Alton and the Alton Group for the purposes of rendering this opinion letter and are not familiar with all of KH Alton and the Alton Group's businesses or their day-to-day operations.

In rendering the opinions set forth below, we have assumed the genuineness of all facsimile and electronically delivered signatures, the authenticity of all documents provided to us as originals and the conformity to authentic, original documents of all documents provided to us as drafts, facsimiles, electronic or photostatic copies. As to any questions of fact material to this opinion letter, we have relied with your approval solely upon our examination of the Permit Documentation and have made no independent verification or inquiry as to the facts asserted to be true and correct in these documents (provided, however, no facts have come to our attention that would give us actual knowledge or actual notice that any such facts are not accurate and complete), and have considered such questions of law as we have deemed relevant and necessary for the purpose of rendering the opinions set forth herein. Without limiting the foregoing, with your approval, we have not conducted a search or investigation of the records, files or indices of any court or governmental authority for action, litigation, suits, proceedings, orders, judgments, decrees, filings, arbitrations or otherwise.

Whenever our opinion with respect to the existence or absence of facts is indicated to be based on our knowledge (actual or otherwise) or awareness, we have made no inquiries with respect to such matters other than what is set forth in the Permit Documentation. We have not undertaken any other investigation to determine the existence or absence of such facts and no inference as to our knowledge concerning such facts should be drawn from the fact that representation of the client has been undertaken by us. Where any opinion or confirmation contained herein is qualified by the phrase "to our knowledge," "known to us," "known by us", "of which we are aware" or the like, it means that the lawyers in the "primary lawyer group" are without any actual knowledge or conscious awareness, at the time this opinion letter is delivered by us on the date hereof, that the opinion or confirmation is untrue in any respect material to the opinion or confirmation. For purposes of this letter, "primary lawyer group" means: (i) the lawyer who signs his or her name or the name of the firm to the opinion letter, (ii) the lawyers currently in the firm who are actively involved in preparing or negotiating the opinion letter, and (iii) the lawyers currently in the firm who are actively involved in analyzing the Permit Documentation. Our opinion is limited to the matters expressly stated herein. No opinions are to be inferred or implied beyond the opinions expressly so stated.

Background Facts

a. On May 4, 2010, SFWMD issued the 2011 Conceptual Permit to the Lester Family and Palm Beach County. A copy of the 2011 Conceptual Permit is attached to this opinion as Exhibit "A" and is applicable to all of the acreage contained in the Northern Palm Beach County Improvement District ("NPBCID") Unit of Development No. 2C ("Unit 2C"). The 2011 Conceptual Permit authorized conceptual approval of a surface water management system to serve 681.69 acres of mixed use development and mitigation consisting of on-site preservation and mitigation totaling approximately 91 acres, 193.92 acres of off-site wetland mitigation at the Palm Beach County Pine Glades Natural Area and additional off-site mitigation at the Loxahatchee Mitigation Bank.

b. The 2011 Conceptual Permit included a Notice of Rights which notified potentially affected parties of their right to challenge the agency action within 21 days of the date of issuance. The 2011 Conceptual Permit was challenged in May of 2010 by Palm Beach County Environmental Coalition and various named individuals (together, the “Petitioners”). A Division of Administrative Hearings (“DOAH”) proceeding was held on the merits, in which the Petitioners presented arguments on all aspects of the 2011 Conceptual Permit including the following issues: impacts to threatened and endangered species, species of special concern, commercially-exploited species and rare habitat, the Hazardous Waste Management Plan, inconsistency with the Coastal Management Program, draining of surface waters, adverse impacts, public interest, wetland impacts, loss of wildlife habitat, mitigation, and drawdowns.

At the conclusion of this DOAH proceeding, the Administrative Law Judge issued a Recommended Order, which was adopted in full by the SFWMD in its January 3, 2011 Final Order (the “2011 Final Order”). The 2011 Final Order was final agency action with respect to the 2011 Conceptual Permit and, pursuant to 120.68, Florida Statutes, could only be appealed within 30 days of the 2011 Final Order. No one, including the Petitioners, appealed the 2011 Final Order and the time period within which to file an appeal of the 2011 Final Order expired in February 2011.

c. On March 26, 2014, The Board of Supervisors for NPBCID adopted a resolution formally approving a Plan of Improvements and Engineer's Report for Unit 2C. Copies of NPBCID's authorizing Resolution, Plan of Improvements and Engineer's Report are attached to this Opinion as Exhibits “B”, “C” and “D”, respectively.

d. The Unit No. 2C Plan of Improvements and Engineer's Report were each last revised on February 14, 2014. At that time the only SFWMD permit available for review by NPBCID's engineer was the 2011 Conceptual Permit. Consequently, the Unit No. 2C Plan of Improvements, as prepared by NPBCID's engineer, only generally describes the type of improvements to be made in Unit of Development No. 2C. The 2011 Conceptual Permit is the only permit specifically referenced in said Plan of Improvements.

e. Robert W. Lawson, P.E., FL P.E. Number: 26640, prepared the Plan of Improvements and Engineer's Report for Unit of Development No. 2C on behalf of the NPBCID. Robert W. Lawson has provided the Certificate attached hereto as Exhibit “E” addressed to NPBCID, Ciklin Lubitz, Martens and O'Connell, and the undersigned law firm certifying that the improvements as described in the Unit No. 2C Plan of Improvements could be constructed under the 2011 Conceptual Permit.

Opinions

Based upon the above facts, we are of the opinion that:

a. The pending appeal to the issuance of the 2014 SFWMD ERP Permits (i.e., Application No. 131119-5, ERP No. 50-00610-S-24 and Application No.131216-7, ERP No. 50-

00610-S-24)¹, does not and will not have any impact on the finality and validity of the 2011 Conceptual Permit since the 2014 SFWMD Permits are separate agency actions with different legal points of entry and objection. The special conditions of the 2014 SFWMD Permits specifically state that said 2014 SFWMD Permits do not supersede or delete any requirements for other applications addressed in the 2011 Conceptual Permit (i.e., Permit No. 50-00610-5-24) unless specifically set forth in the 2014 SFWMD Permits.

b. As long as the 2011 Conceptual Permit does not expire, it remains valid and may be relied upon by NPBCID since the 2011 Conceptual Permit is final and non-appealable. Although the current 2011 Conceptual Permit has a stated expiration date of March 26, 2015, this expiration date is no longer applicable. Pursuant to SFWMD Administrative Rule 40E-4.321, F.A.C. attached hereto as Exhibit “F”, when an application for a construction permit has been filed under a valid conceptual permit, the rule states that the conceptual permit remains alive and valid during the entire duration of the application process, including any challenges to such construction permit. Once the construction permit is final, the conceptual permit remains valid for another two years until the next construction application is applied for and obtained or an extension of the two years is requested. This process of obtaining construction permits for phased projects remains in effect until all phases are complete.

Here, a construction permit was applied for and finalized on August 11, 2014 in Application No.131216-7. Pursuant to the rule citation above, the 2011 Conceptual Permit is currently valid for an additional two years from the date this construction permit was finalized – until August 2016. Any future construction permits that are applied for shall continue to extend the validity of the 2011 Conceptual. Consequently, the 2011 Conceptual Permit remains valid today, will not expire in 2015, and will continue as a valid permit into the future while construction permits are applied and obtained. Moreover, no legal point of entry exists for a legal challenge of the 2011 Conceptual Permit.

c. In reliance upon the Certificate provide by Robert W. Lawson, P.E., we are also of the opinion that:

I. NPBCID may rely upon the 2011 Conceptual Permit for purposes of completing the improvements described in the Unit 2C Plan of Improvements;

II. NPBCID will ultimately be able to obtain construction permits from SFWMD for the work described in the Plan of Improvements, either in reliance on the 2014 SFWMD Permits or new construction permits that could be applied for under the 2011 Conceptual Permit;

III. No changes to the Unit 2C Plan of Improvements will be required as a result of a legal challenge to the 2014 SFWMD Permits because the Plan of Improvements is based upon the prior and now non-appealable 2011 Conceptual Permit, and the specific and minor changes in the 2014 SFWMD Permits are not mentioned in the Unit 2C Plan of Improvements.

¹ The legal effect of the pending appeal filed by Rachel Kijekski on September 10, 2014 in the Fourth District Court of Appeal is addressed in a separate opinion from the Gunster Law firm of even date herewith.

Our opinion is based solely on the applicable laws of the State of Florida and the federal laws of the United States, and facts, all as in existence on this date, and we express no opinion as to the effect which any future amendments, changes, deletions or modifications thereof may have upon our opinions expressed in this letter.

This letter is limited to the matters expressly stated herein, and no opinions or legal conclusions may be implied or inferred beyond the reasoned opinion expressly stated herein. We have assumed no obligation to advise you beyond the reasoned opinion specifically expressed herein. This letter and the opinion set forth herein are dated as of the date hereof and are limited to the facts described in this letter and to the relevant Florida laws in effect on the date hereof, we express no opinion as to circumstances or events that may occur subsequent to the date hereof, and we disclaim any obligation to update, revise or supplement this letter to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur.

This opinion letter is (a) not intended to be a guaranty of what determination will be made in each or any specific instance in which a court ruling is sought relative to the documents or matters referred to herein, and (b) for your benefit in connection with the referenced transaction and may not be relied on by any other person without our prior written consent.

Very truly yours,

GUNSTER, YOAKLEY & STEWART, P.A.

EXHIBIT "A"

SFWMD Permit No. 50-00610-S-24



FORM #0157
REV. 07/09

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
ENVIRONMENTAL RESOURCE
PERMIT MODIFICATION NO. 50-00610-S-24
DATE ISSUED: MAY 4, 2010**

PERMITTEE: THE DAVID MINKIN FLORIDA REALTY TRUST
RICHARD AND ROBERT THALL
PETER L AND PAUL H BRIGER
THE LESTER FAMILY INVESTMENTS L P
PALM BEACH COUNTY
(SCRIPPS FLORIDA PHASE I I / BRIGER)

See attached
for address

ORIGINAL PERMIT ISSUED: JANUARY 19, 1978

ORIGINAL PROJECT DESCRIPTION: ORIGINAL PERMIT ISSUED AS CONCEPTUAL APPROVAL.

APPROVED MODIFICATION: CONCEPTUAL AUTHORIZATION FOR A SWM SYSTEM TO SERVE 681.69 ACRES OF MIXED USE DEVELOPMENT, 193.92 ACRES OF OFF-SITE WETLAND MITIGATION AT THE PALM BEACH COUNTY PINE GLADES NATURAL AREA AND ADDITIONAL OFF-SITE MITIGATION AT THE LOXAHATCHEE MITIGATION BANK, KNOWN AS SCRIPPS FLORIDA PHASE II/BRIGER.(NO CONSTRUCTION IS AUTHORIZED BY THIS PERMIT.)

PROJECT LOCATION: PALM BEACH COUNTY , SECTION 5 TWP 41S RGE 41E
SECTION 26,35 TWP 41S RGE 42E

PERMIT DURATION: See Special Condition No:1. See attached Rule 40E-4.321, Florida Administrative Code.

This is to notify you of the District's agency action concerning Permit Application No. 090427-7, dated March 9, 2009. This action is taken pursuant to the provisions of Chapter 373, Part IV, Florida Statutes (F.S.), and the Operation Agreement Concerning Regulation Under Part IV, Chapter 373 F.S., between South Florida Water Management District and the Department of Environmental Protection.

Based on the information provided, District rules have been adhered to and an Environmental Resource Permit Modification is in effect for this project subject to:

1. Not receiving a filed request for an administrative hearing pursuant to Section 120.5 and Section 120.569, or request a judicial review pursuant Section 120.68, Florida Statutes.
2. The attached 19 General Conditions.
3. The attached 31 Special Conditions.
4. The attached 6 Exhibits.

Should you object to these conditions, please refer to the attached "Notice of Rights" which addresses the procedures to be followed if you desire a public hearing or other review of the proposed agency action. Should you wish to object to the proposed agency action or file a petition, please provide written objections, petitions and/or waivers to:

Elizabeth Veguilla, Deputy Clerk, MSC2440
South Florida Water Management District
Post Office Box 24680
West Palm Beach, FL 33416-4680

Please contact this office if you have any questions concerning this matter. If we do not hear from you in accordance with the "Notice of Rights", we will assume that you concur with the District's action.

CERTIFICATION OF SERVICE

I HEREBY CERTIFY that the Staff Report, Addendum, Conditions and Notice of Rights have been mailed to the Permittee (and the persons listed on the attached staff report distribution list) no later than 5:00 p.m. on this 6th day of May, 2010, in accordance with Section 120.60(3), Florida Statutes, and a copy has been filed and acknowledged with the Deputy District Clerk.

ORIGINAL SIGNED BY
By ELIZABETH VEGUILLA
DEPUTY CLERK
SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Attachments

CERTIFIED MAIL# 70050390000598198343

PERMIT NO: 50-00610-S-24
APPL NO: 090427-7

THE DAVID MINKIN FLORIDA REALTY TRUST
(SCRIPPS FLORIDA PHASE I I / BRIGER)
C/O HOWARD LESTER,44 COCOANUT ROW
PALM BEACH, FL 33480

RICHARD AND ROBERT THALL
(SCRIPPS FLORIDA PHASE I I / BRIGER)
C/O HOWARD LESTER,44 COCOANUT ROW
PALM BEACH, FL 33480

PETER L AND PAUL H BRIGER
(SCRIPPS FLORIDA PHASE I I / BRIGER)
C/O HOWARD LESTER,44 COCOANUT ROW
PALM BEACH, FL 33480

THE LESTER FAMILY INVESTMENTS L P
(SCRIPPS FLORIDA PHASE I I / BRIGER)
C/O HOWARD LESTER,44 COCOANUT ROW
PALM BEACH, FL 33480

PALM BEACH COUNTY
(SCRIPPS FLORIDA PHASE I I / BRIGER)
C/O SHANNON LAROCQUE-BASS,301 N OLIVE AVENUE, 11TH FLOOR
WEST PALM BEACH, FL 33401

SPECIAL CONDITIONS

1. The conceptual phase of this permit shall expire on May 4, 2012.
2. Northern Palm Beach County Improvement District (NPBCID) will operate and maintain the primary and secondary surface water management system, unless the Property Owners Association (POA) contracts with NPBCID for the POA to maintain the surface water management system and such other NPBCID facilities.

A master POA will be responsible for the 7.50 acre on-site wetland enhancement and 1.72 acres buffer areas (a total of 9.22 acres) in accordance with specific language in the draft POA Declaration of Covenants, Conditions, and Restrictions document included as Exhibit 3.4.

Palm Beach County is the responsible entity for the perpetual maintenance and management of the 193.92 acre off-site wetland mitigation area at the Pine Glades Natural Area as part of the County's overall Pine Glades Natural Area Management Plan.

3. Discharge Facilities:

Basin: A1

1-3.33' W X 2.15' H RECTANGULAR ORIFICE weir with crest at elev. 15.5' NGVD 29.
 1-1.58' W X 1.58' H TRIANGULAR ORIFICE with invert at elev. 13' NGVD 29.
 1-4.5' W X 3' L drop inlet with crest at elev. 17.65' NGVD 29.

Receiving body : Unit 2 Master System
 Control elev : 13 feet NGVD 29.

Basin: B1-W

1-2.5' W X 2.2' H RECTANGULAR NOTCH weir with crest at elev. 15.5' NGVD 29.
 1-1.33' W X 1.33' H TRIANGULAR ORIFICE with invert at elev. 13.5' NGVD 29.
 1-4.5' W X 3' L drop inlet with crest at elev. 17.7' NGVD 29.

Receiving body : Wetland W1
 Control elev : 13.5 feet NGVD 29.

Basin: B1-E

1-3.17' W X 1.75' H RECTANGULAR NOTCH weir with crest at elev. 15.5' NGVD 29.
 1-1.83' W X 1.83' H TRIANGULAR ORIFICE with invert at elev. 13' NGVD 29.
 1-4.5' W X 3' L drop inlet with crest at elev. 17.25' NGVD 29.

Receiving body : Unit 2 Master System
 Control elev : 13 feet NGVD 29.

4. The permittee shall be responsible for the correction of any erosion, shoaling or water quality problems that result from the construction or operation of the surface water management system.
5. Measures shall be taken during construction to insure that sedimentation and/or turbidity violations do not occur in the receiving water.
6. The District reserves the right to require that additional water quality treatment methods be incorporated into the drainage system if such measures are shown to be necessary.
7. Lake side slopes shall be no steeper than 4:1 (horizontal:vertical) to a depth of two feet below the control elevation.

Side slopes shall be nurtured or planted from 2 feet below to 1 foot above control elevation to insure vegetative growth, unless shown on the plans.

8. Facilities other than those stated herein shall not be constructed without an approved modification of this permit.
9. A stable, permanent and accessible elevation reference shall be established on or within one hundred (100) feet of all permitted discharge structures no later than the submission of the certification report. The location of the elevation reference must be noted on or with the certification report.
10. The permittee shall provide routine maintenance of all of the components of the surface water management system in order to remove all trapped sediments/debris. All materials shall be properly disposed of as required by law. Failure to properly maintain the system may result in adverse flooding conditions.
11. This permit is issued based on the applicant's submitted information which reasonably demonstrates that adverse water resource related impacts will not be caused by the completed permit activity. Should any adverse impacts caused by the completed surface water management system occur, the District will require the permittee to provide appropriate mitigation to the District or other impacted party. The District will require the permittee to modify the surface water management system, if necessary, to eliminate the cause of the adverse impacts.
12. The permittee acknowledges that, pursuant to Rule 40E-4.101(2), F.A.C., a notice of Environmental Resource or Surface Water Management Permit may be recorded in the county public records. Pursuant to the specific language of the rule, this notice shall not be considered an encumbrance upon the property.
13. If prehistoric or historic artifacts, such as pottery or ceramics, stone tools or metal implements, dugout canoes, or any other physical remains that could be associated with Native American cultures, or early colonial or American settlement are encountered at any time within the project site area, the permitted project should cease all activities involving subsurface disturbance in the immediate vicinity of such discoveries. The permittee, or other designee, should contact the Florida Department of State, Division of Historical Resources, Review and Compliance Section at (850) 245-6333 or (800) 847-7278, as well as the appropriate permitting agency office. Project activities should not resume without verbal and/or written authorization from the Division of Historical Resources. In the event that unmarked human remains are encountered during permitted activities, all work shall stop immediately and the proper authorities notified in accordance with Section 872.05, Florida Statutes.
14. Minimum building floor elevation: BASIN: A1 - 18.50 feet NGVD 29.
BASIN: B1-W - 18.80 feet NGVD 29.
BASIN: B1-E - 18.40 feet NGVD 29.
15. Minimum road crown elevation: Basin: A1 - 16.40 feet NGVD 29.
Basin: B1-W - 16.70 feet NGVD 29.
Basin: B1-E - 16.20 feet NGVD 29.
16. Minimum parking lot elevation: Basin: A1 - 16.40 feet NGVD 29.
Basin: B1-W - 16.70 feet NGVD 29.
Basin: B1-E - 16.20 feet NGVD 29.
17. Commercial or industrial zoned projects shall provide at least one half inch of dry detention or retention pretreatment as part of the required retention/detention, unless reasonable assurances are provided that hazardous materials will not enter the project's surface water management system. Such assurances may include deed restrictions on property planned for resale, type of occupancy, recorded lease agreements, local government restrictive codes, ordinances, licenses, and engineered containment systems designed in accordance with the District's Basis of Review Section 5.2.2(a). Pre-treatment requirements shall be determined on a case by case basis for the commercial areas at the time of application for construction authorization based on their proposed uses.
18. If future applications for project construction and operation include modifications to the conceptual site plan authorized

under this conceptual authorization which may adversely impact Briger Site 8PB13953, the permittees will coordinate with the State of Florida Department of Historical Resources.

19. At the time of application for construction approval, the permittee shall submit a copy of the draft conservation easement which dedicates the 9.22 acre on-site wetland enhancement and upland buffer areas as conservation and common areas in accordance with Exhibit 3.3.

The recorded conservation easement shall be submitted to the District within a designated timeframe identified in a future permit for construction and operation authorization.

20. At the time of application for construction, the permittee shall provide information that adequately addresses the financial assurance requirements described in Section 4.3 of the Basis of Review for Environmental Resource Permit applications for the 9.22 acre on-site wetland enhancement and buffer areas and the 193.92 acre off-site mitigation at the Pine Glades Natural Area.
21. Any future proposed work located within the 9.22 acre on-site conservation easement area shall require a modification to this permit and will be subject to evaluation of wetland impacts and potential mitigation requirements in accordance with the environmental criteria in effect at the time of the application for any such proposed work.
22. Prior to any future construction, the permittee shall apply for and receive a permit modification. As part of the permit application, the applicant for that phase shall provide documentation verifying that the proposed construction is consistent with the design of the master surface water management system, including the land use and site grading assumptions.
23. All surface water management and environmental conditions and exhibits of permit number 50-00610-S included in the previous permit for adjacent developments are still in effect and hereby incorporated within this permit modification by reference unless specifically revised in this modification.
24. At the time of application for construction approval, the permittee shall stake and rope the on-site 7.50 acre wetlands and associated 1.72 acre upland buffer zones, which are proposed to be enhanced and preserved under a conservation easement. The staking and roping shall be subject to the approval of the District Environmental Resource Compliance staff. The permittee shall modify the staking and roping if the District staff determines it does not accurately reflect the limits of the wetlands and/or upland buffers. Staking and roping shall remain in place until all adjacent construction activities are complete.
25. Upon submittal of an application for construction, the permittee shall submit a work schedule subject to District staff review and approval, specifying completion dates for each mitigation, monitoring and maintenance task for both the 9.22 acre on-site wetland mitigation area and the 193.92 acre off-site wetland mitigation area at the Pine Glades Natural Area.
26. The permittee shall perform the 193.92 acre off-site wetland mitigation at the Pine Glades Natural Area prior to or concurrently with any future application for project construction and operation authorization.
27. For future applications for project construction and operation, the permittees shall obtain Water Use Permits for any proposed irrigation withdrawals or construction dewatering activities, unless the work is exempt pursuant to Chapter 40E-2.051 F.A.C.
28. Prior to commencement of construction and in accordance with Exhibit 3.2, page 8, and the work schedule in Exhibit 5, the permittee shall submit documentation from the Florida Department of Environmental Protection that 13.70 freshwater herbaceous credits have been deducted from the ledger for the Loxahatchee Mitigation Bank.
29. The permittee shall adhere to the provisions in Exhibit 6, Standard Protection Measures for the Eastern Indigo Snake.
30. No later than September 1, 2010, the permittee shall install a continuous data logger within the area designated as W2

on Exhibit 2 (page 2 of 4) to automatically record surface water and ground water levels within the wetland. The well for the data logger shall be installed to a depth adequate to ensure that the well does not go dry during the dry season. Data shall be collected and submitted at the time of application for the first construction phase of the development as well as in subsequent required monitoring reports.

31. At the time of application for construction, the permittee shall submit a Hazardous Waste Management Plan. In addition, the permittee shall obtain any necessary permits from the Florida Department of Environmental Protection for treating, storing, or disposing of hazardous waste.

GENERAL CONDITIONS

1. All activities authorized by this permit shall be implemented as set forth in the plans, specifications and performance criteria as approved by this permit. Any deviation from the permitted activity and the conditions for undertaking that activity shall constitute a violation of this permit and Part IV, Chapter 373, F.S.
2. This permit or a copy thereof, complete with all conditions, attachments, exhibits, and modifications shall be kept at the work site of the permitted activity. The complete permit shall be available for review at the work site upon request by District staff. The permittee shall require the contractor to review the complete permit prior to commencement of the activity authorized by this permit.
3. Activities approved by this permit shall be conducted in a manner which does not cause violations of State water quality standards. The permittee shall implement best management practices for erosion and pollution control to prevent violation of State water quality standards. Temporary erosion control shall be implemented prior to and during construction, and permanent control measures shall be completed within 7 days of any construction activity. Turbidity barriers shall be installed and maintained at all locations where the possibility of transferring suspended solids into the receiving waterbody exists due to the permitted work. Turbidity barriers shall remain in place at all locations until construction is completed and soils are stabilized and vegetation has been established. All practices shall be in accordance with the guidelines and specifications described in Chapter 6 of the Florida Land Development Manual; A Guide to Sound Land and Water Management (Department of Environmental Regulation, 1988), incorporated by reference in Rule 40E-4.091, F.A.C. unless a project-specific erosion and sediment control plan is approved as part of the permit. Thereafter the permittee shall be responsible for the removal of the barriers. The permittee shall correct any erosion or shoaling that causes adverse impacts to the water resources.
4. The permittee shall notify the District of the anticipated construction start date within 30 days of the date that this permit is issued. At least 48 hours prior to commencement of activity authorized by this permit, the permittee shall submit to the District an Environmental Resource Permit Construction Commencement Notice Form Number 0960 indicating the actual start date and the expected construction completion date.
5. When the duration of construction will exceed one year, the permittee shall submit construction status reports to the District on an annual basis utilizing an annual status report form. Status report forms shall be submitted the following June of each year.
6. Within 30 days after completion of construction of the permitted activity, the permittee shall submit a written statement of completion and certification by a professional engineer or other individual authorized by law, utilizing the supplied Environmental Resource/Surface Water Management Permit Construction Completion/Certification Form Number 0881A, or Environmental Resource/Surface Water Management Permit Construction Completion Certification - For Projects Permitted prior to October 3, 1995 Form No. 0881B, incorporated by reference in Rule 40E-1.659, F.A.C. The statement of completion and certification shall be based on onsite observation of construction or review of as-built drawings for the purpose of determining if the work was completed in compliance with permitted plans and specifications. This submittal shall serve to notify the District that the system is ready for inspection. Additionally, if deviation from the approved drawings are discovered during the certification process, the certification must be accompanied by a copy of the approved permit drawings with deviations noted. Both the original and revised specifications must be clearly shown. The plans must be clearly labeled as "as-built" or "record" drawings. All surveyed dimensions and elevations shall be certified by a registered surveyor.
7. The operation phase of this permit shall not become effective: until the permittee has complied with the requirements of condition (6) above, and submitted a request for conversion of Environmental Resource Permit from Construction Phase to Operation Phase, Form No. 0920; the District determines the system to be in compliance with the permitted plans and specifications; and the entity approved by the District in accordance with Sections 9.0 and 10.0 of the Basis of Review for Environmental Resource Permit Applications within the South Florida Water Management District, accepts responsibility for operation and maintenance of the system. The permit shall not be transferred to such approved operation and maintenance entity until the operation phase of the permit becomes effective. Following inspection and approval of the permitted system by the District, the permittee shall initiate transfer of the permit to the approved

responsible operating entity if different from the permittee. Until the permit is transferred pursuant to Section 40E-1.6107, F.A.C., the permittee shall be liable for compliance with the terms of the permit.

8. Each phase or independent portion of the permitted system must be completed in accordance with the permitted plans and permit conditions prior to the initiation of the permitted use of site infrastructure located within the area served by that portion or phase of the system. Each phase or independent portion of the system must be completed in accordance with the permitted plans and permit conditions prior to transfer of responsibility for operation and maintenance of the phase or portion of the system to a local government or other responsible entity.
9. For those systems that will be operated or maintained by an entity that will require an easement or deed restriction in order to enable that entity to operate or maintain the system in conformance with this permit, such easement or deed restriction must be recorded in the public records and submitted to the District along with any other final operation and maintenance documents required by Sections 9.0 and 10.0 of the Basis of Review for Environmental Resource Permit applications within the South Florida Water Management District, prior to lot or units sales or prior to the completion of the system, whichever comes first. Other documents concerning the establishment and authority of the operating entity must be filed with the Secretary of State, county or municipal entities. Final operation and maintenance documents must be received by the District when maintenance and operation of the system is accepted by the local government entity. Failure to submit the appropriate final documents will result in the permittee remaining liable for carrying out maintenance and operation of the permitted system and any other permit conditions.
10. Should any other regulatory agency require changes to the permitted system, the permittee shall notify the District in writing of the changes prior to implementation so that a determination can be made whether a permit modification is required.
11. This permit does not eliminate the necessity to obtain any required federal, state, local and special district authorizations prior to the start of any activity approved by this permit. This permit does not convey to the permittee or create in the permittee any property right, or any interest in real property, nor does it authorize any entrance upon or activities on property which is not owned or controlled by the permittee, or convey any rights or privileges other than those specified in the permit and Chapter 40E-4 or Chapter 40E-40, F.A.C..
12. The permittee is hereby advised that Section 253.77, F.S. states that a person may not commence any excavation, construction, or other activity involving the use of sovereign or other lands of the State, the title to which is vested in the Board of Trustees of the Internal Improvement Trust Fund without obtaining the required lease, license, easement, or other form of consent authorizing the proposed use. Therefore, the permittee is responsible for obtaining any necessary authorizations from the Board of Trustees prior to commencing activity on sovereignty lands or other state-owned lands.
13. The permittee must obtain a Water Use permit prior to construction dewatering, unless the work qualifies for a general permit pursuant to Subsection 40E-20.302(3), F.A.C., also known as the "No Notice" Rule.
14. The permittee shall hold and save the District harmless from any and all damages, claims, or liabilities which may arise by reason of the construction, alteration, operation, maintenance, removal, abandonment or use of any system authorized by the permit.
15. Any delineation of the extent of a wetland or other surface water submitted as part of the permit application, including plans or other supporting documentation, shall not be considered binding, unless a specific condition of this permit or a formal determination under Section 373.421(2), F.S., provides otherwise.
16. The permittee shall notify the District in writing within 30 days of any sale, conveyance, or other transfer of ownership or control of a permitted system or the real property on which the permitted system is located. All transfers of ownership or transfers of a permit are subject to the requirements of Rules 40E-1.6105 and 40E-1.6107, F.A.C.. The permittee transferring the permit shall remain liable for corrective actions that may be required as a result of any violations prior to the sale, conveyance or other transfer of the system.
17. Upon reasonable notice to the permittee, District authorized staff with proper identification shall have permission to enter, inspect, sample and test the system to insure conformity with the plans and specifications approved by the permit.

18. If historical or archaeological artifacts are discovered at any time on the project site, the permittee shall immediately notify the appropriate District service center.
19. The permittee shall immediately notify the District in writing of any previously submitted information that is later discovered to be inaccurate.

ENVIRONMENTAL RESOURCE PERMITS CHAPTER 40E-4

40E-4.321 Duration of Permits

(1) Unless revoked or otherwise modified the duration of an environmental resource permit issued under this chapter or Chapter 40E-40, F.A.C., is as follows:

(a) For a conceptual approval, two years from the date of issuance or the date Environmental Resource Permits - Chapter 40E-4 Effect: November 11, 200926 – (40E-4) specified as a condition of the permit, unless within that period an application for an individual or standard general permit is filed for any portion of the project. If an application for an environmental resource permit is filed, then the conceptual approval remains valid until final action is taken on the environmental resource permit application. If the application is granted, then the conceptual approval is valid for an additional two years from the date of issuance of the permit. Conceptual approvals which have no individual or standard general environmental resource permit applications filed for a period of two years shall expire automatically at the end of the two year period.

(b) For a conceptual approval filed concurrently with a development of regional impact (DRI) application for development approval (ADA) and a local government comprehensive plan amendment, the duration of the conceptual approval shall be two years from whichever one of the following occurs at the latest date:

1. The effective date of the local government's comprehensive plan amendment,
2. The effective date of the local government development order,
3. The date on which the District issues the conceptual approval, or
4. The date on which the District issues a final order pertaining to the resolution of any Section 120.57, F.S., administrative proceeding or other legal appeals.

(c) For an individual or standard general environmental resource permit, the construction phase authorizing construction, removal, alteration or abandonment of a system shall expire five years from the date of issuance or such amount of time as made a condition of the permit.

(d) For an individual or standard general environmental resource permit, the operational phase of the permit is perpetual for operation and maintenance.

(e) For a noticed general permit issued pursuant to Chapter 40E-400, F.A.C., five years from the date the notice of intent to use the permit is provided to the District.

(2)(a) Unless prescribed by special permit condition, permits expire automatically according to the timeframes indicated in this rule. If application for extension is made by electronic mail at the District's ePermitting website or in writing pursuant to subsection

(3), the permit shall remain in full force and effect until:

1. The Governing Board takes action on an application for extension of an individual permit, or
2. Staff takes action on an application for extension of a standard general permit.

(b) Installation of the project outfall structure shall not constitute a vesting of the permit.
(3) The permit extension shall be issued provided that a permittee files a written request with the District showing good cause prior to the expiration of the permit. For the purpose of this rule, good cause shall mean a set of extenuating circumstances outside of the control of the permittee. Requests for extensions, which shall include documentation of the extenuating circumstances and how they have delayed this project, will not be accepted more than 180 days prior to the expiration date.

(4) Substantial modifications to Conceptual Approvals will extend the duration of the Conceptual Approval for two years from the date of issuance of the modification. For the purposes of this section, the term "substantial modification" shall mean a modification which is reasonably expected to lead to substantially different water resource or environmental impacts which require a detailed review.

(5) Substantial modifications to individual or standard general environmental Environmental Resource Permits - Chapter 40E-4 Effect: November 11, 2009 27 – (40E-4) resource permits issued pursuant to a permit application extend the duration of the permit for three years from the date of issuance of the modification. Individual or standard general environmental resource permit modifications do not extend the duration of a conceptual approval.

(6) Permit modifications issued pursuant to paragraph 40E-4.331(2)(b), F.A.C. (letter modifications) do not extend the duration of the permit.

(7) Failure to complete construction or alteration of the surface water management system and obtain operation phase approval from the District within the permit duration shall require a new permit authorization in order to continue construction unless a permit extension is granted.

Specific Authority 373.044, 373.113, 668.003, 668.004, 668.50 FS. Law Implemented 373.413, 373.416, 373.419, 373.426, 668.003, 668.004, 668.50 FS. History—New 9-3-81, Amended 1-31-82, 12-1-82, Formerly 16K-4.07(4), Amended 7-1-86, 4-20-94, 10-3-95, 5-28-00, 10-1-06.

NOTICE OF RIGHTS

As required by Sections 120.569(1), and 120.60(3), Fla. Stat., following is notice of the opportunities which may be available for administrative hearing or judicial review when the substantial interests of a party are determined by an agency. Please note that this Notice of Rights is not intended to provide legal advice. Not all the legal proceedings detailed below may be an applicable or appropriate remedy. You may wish to consult an attorney regarding your legal rights.

RIGHT TO REQUEST ADMINISTRATIVE HEARING

A person whose substantial interests are or may be affected by the South Florida Water Management District's (SFWMD or District) action has the right to request an administrative hearing on that action pursuant to Sections 120.569 and 120.57, Fla. Stat. Persons seeking a hearing on a District decision which does or may determine their substantial interests shall file a petition for hearing with the District Clerk within 21 days of receipt of written notice of the decision, unless one of the following shorter time periods apply: 1) within 14 days of the notice of consolidated intent to grant or deny concurrently reviewed applications for environmental resource permits and use of sovereign submerged lands pursuant to Section 373.427, Fla. Stat.; or 2) within 14 days of service of an Administrative Order pursuant to Subsection 373.119(1), Fla. Stat. "Receipt of written notice of agency decision" means receipt of either written notice through mail, or electronic mail, or posting that the District has or intends to take final agency action, or publication of notice that the District has or intends to take final agency action. Any person who receives written notice of a SFWMD decision and fails to file a written request for hearing within the timeframe described above waives the right to request a hearing on that decision.

Filing Instructions

The Petition must be filed with the Office of the District Clerk of the SFWMD. Filings with the District Clerk may be made by mail, hand-delivery or facsimile. **Filings by e-mail will not be accepted.** Any person wishing to receive a clerked copy with the date and time stamped must provide an additional copy. A petition for administrative hearing is deemed filed upon receipt during normal business hours by the District Clerk at SFWMD headquarters in West Palm Beach, Florida. Any document received by the office of the SFWMD Clerk after 5:00 p.m. shall be filed as of 8:00 a.m. on the next regular business day. Additional filing instructions are as follows:

- Filings by mail must be addressed to the Office of the SFWMD Clerk, P.O. Box 24680, West Palm Beach, Florida 33416.
- Filings by hand-delivery must be delivered to the Office of the SFWMD Clerk. **Delivery of a petition to the SFWMD's security desk does not constitute filing. To ensure proper filing, it will be necessary to request the SFWMD's security officer to contact the Clerk's office.** An employee of the SFWMD's Clerk's office will receive and file the petition.
- Filings by facsimile must be transmitted to the SFWMD Clerk's Office at (561) 682-6010. Pursuant to Subsections 28-106.104(7), (8) and (9), Fla. Admin. Code, a party who files a document by facsimile represents that the original physically signed document will be retained by that party for the duration of that proceeding and of any subsequent appeal or subsequent proceeding in that cause. Any party who elects to file any document by facsimile shall be responsible for any delay, disruption, or interruption of the electronic signals and accepts the full risk that the document may not be properly filed with the clerk as a result. The filing date for a document filed by facsimile shall be the date the SFWMD Clerk receives the complete document.

Initiation of an Administrative Hearing

Pursuant to Rules 28-106.201 and 28-106.301, Fla. Admin. Code, initiation of an administrative hearing shall be made by written petition to the SFWMD in legible form and on 8 and 1/2 by 11 inch white paper. All petitions shall contain:

1. Identification of the action being contested, including the permit number, application number, District file number or any other SFWMD identification number, if known.
2. The name, address and telephone number of the petitioner and petitioner's representative, if any.
3. An explanation of how the petitioner's substantial interests will be affected by the agency determination.
4. A statement of when and how the petitioner received notice of the SFWMD's decision.
5. A statement of all disputed issues of material fact. If there are none, the petition must so indicate.
6. A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the SFWMD's proposed action.
7. A statement of the specific rules or statutes the petitioner contends require reversal or modification of the SFWMD's proposed action.
8. If disputed issues of material fact exist, the statement must also include an explanation of how the alleged facts relate to the specific rules or statutes.
9. A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the SFWMD to take with respect to the SFWMD's proposed action.

A person may file a request for an extension of time for filing a petition. The SFWMD may, for good cause, grant the request. Requests for extension of time must be filed with the SFWMD prior to the deadline for filing a petition for hearing. Such requests for extension shall contain a certificate that the moving party has consulted with all other parties concerning the extension and that the SFWMD and any other parties agree to or oppose the extension. A timely request for extension of time shall toll the running of the time period for filing a petition until the request is acted upon.

If the District takes action with substantially different impacts on water resources from the notice of intended agency decision, the persons who may be substantially affected shall have an additional point of entry pursuant to Rule 28-106.111, Fla. Admin. Code, unless otherwise provided by law.

Mediation

The procedures for pursuing mediation are set forth in Section 120.573, Fla. Stat., and Rules 28-106.111 and 28-106.401-.405, Fla. Admin. Code. The SFWMD is not proposing mediation for this agency action under Section 120.573, Fla. Stat., at this time.

RIGHT TO SEEK JUDICIAL REVIEW

Pursuant to Sections 120.60(3) and 120.68, Fla. Stat., a party who is adversely affected by final SFWMD action may seek judicial review of the SFWMD's final decision by filing a notice of appeal pursuant to Florida Rule of Appellate Procedure 9.110 in the Fourth District Court of Appeal or in the appellate district where a party resides and filing a second copy of the notice with the SFWMD Clerk within 30 days of rendering of the final SFWMD action.

ADDENDUM TO STAFF REPORT

Scripps Florida Phase II / Briger

Application Number 090427-7

Palm Beach County S26,35 / T41S/R42E
S5 / T41S / R41E

**FINAL APPROVED BY
EXECUTIVE DIRECTOR
MAY 4, 2010**

This purpose of this addendum is to reflect the District's final agency action on Application Number 090427-7, including clarifications to the staff report.

Page 1 - Location is modified as follows to include the Section/Township/Range for the offsite mitigation area:

Palm Beach County S26,35 / T41S/R42E; S5 / T41S / R41E

Page 2 – Project Site Description, last sentence of the first paragraph is added as follows:

The onsite project ownership consists of 611.69 acres owned by the David Minkin Florida Realty Trust (Minkin) and 70.0 acres owned by Palm Beach County. The Palm Beach County ownership is the area designated as Scripps Florida Phase II (A1-SCR) on Exhibit 2 sheet 2 of 4. The remainder of the project site is owned by Minkin. In addition, Palm Beach County owns the 193.92 acre offsite mitigation area at Pine Glades Natural Area that is part of this permit.

Page 3 – Land Use Section, the last sentence is modified as follows:

~~Upland preservation is identified in the land use table as "Preserved". not to be confused with the wetland acreage identified as W1 and W2.~~

Page 4 – The following acreage figures under Area (ac) in Basin B1-W are modified as follows:

Pavement 41.04 38.55
Open Space 39.72 42.21

Page 6 – Water Quality Section is modified as follows to include an additional paragraph:

Special Condition #33 requires that the applicant submit a Hazardous Waste Management Plan at the time of application for construction. In addition, the applicant is required to obtain any necessary permits from the Florida Department of Environmental Protection for the handling of hazardous waste materials.

Page 8 – Onsite Wetland Mitigation section the following paragraph is added:

In addition, although no preservation or mitigation credit is given as part of this permit, the applicant proposes to preserve and/or enhance a total of 83.26 acres of native habitats onsite.

Page 9 - Last sentence of the 1st paragraph is modified as follows:

The application for the modification of the Pine Glades North Mitigation Area Permit (Permit No. 50-08231-P, Application No. 100301-7) is being processed concurrently with this application to delete 193.92 acres from that permit was issued on April 27, 2010.

Page 10 Cumulative Impact Assessment is modified as follows:

Although ~~The proposed project and associated wetland impacts are located in the basin identified as South Indian River (SIR) basin for purposes of performing a cumulative impacts analysis. and the proposed off site wetland mitigation at the Loxahatchee Mitigation Bank is located in the C-16 Basin, the project includes enhancing 7.50 acres of on-site wetlands and the majority of the off-site wetland mitigation will be performed at the Pine Glades Natural Area which is located within the same watershed (South Indian River Basin) as the proposed wetland impacts.~~

The proposed mitigation plan consists of the preservation and enhancement of 7.5 acres of herbaceous wetlands onsite. In addition, the offsite mitigation proposed at Pine Glades Natural Area is located in the SIR Basin. The 193.92 acres of wetland restoration at Pine Glades Natural Area mitigation proposal will offset impacts to a total of 50.76 acres of wetlands.

In addition, the applicant proposes to purchase 13.70 herbaceous credits from the Loxahatchee Mitigation Bank which is located offsite in the C-16 Basin to the south of this project. The purchase of mitigation bank credits will offset a total of 26.14 acres of impacts to herbaceous wetlands.

District staff evaluated the SIR Basin to determine the extent of publicly owned conservation lands, conservation easements, existing development and existing Environmental Resource and Management and Storage of Surface Water (MSSW) permits. The vast majority of the basin is either already preserved through public ownership or conservation easements, or is already developed or permitted for development. In addition, due to the generally low quality of the wetlands and the existing ongoing hydrologic impacts on the wetlands on the site, the proposal to offset

67% of the wetlands impacts within the SIR Basin and 31% of the proposed wetland impacts outside of the basin will not cause significant adverse secondary or cumulative impacts to water resources within the South Indian River Basin and is not contrary to the public interest. This determination is specific to this project site and may not apply to other projects in the South Indian River Basin.

Page 15 Wildlife Issues – the following sentence is added to the end of the first paragraph:

Although the Eastern Indigo snake was not observed onsite during the wildlife survey, the applicant submitted a document titled “Standard Protection Measures for the Eastern Indigo Snake” which is attached as Exhibit 6.0. This plan outlines contractor education and monitoring provisions that are proposed to be implemented during construction of any phases of the project.

Page 18 DCA/CZM Consistency Review is modified as follows:

~~The District has not received a finding of inconsistency from the Florida Department of Environmental Protection or other commenting agencies regarding the provision of the federal Coast Zone Management Plan.~~

This issuance of this permit constitutes a finding of consistency with the Florida Coastal Management Program.

Special Condition #17 is revised as follows

~~**17. All commercial/industrial parcels shall provide a minimum dry pre-treatment volume of 1/2 inch of runoff prior to discharge into the master surface water management system.**~~

17. Commercial or industrial zoned projects shall provide at least one half inch of dry detention or retention pretreatment as part of the required retention/detention, unless reasonable assurances are provided that hazardous materials will not enter the project's surface water management system. Such assurances may include deed restrictions on property planned for resale, type of occupancy, recorded lease agreements, local government restrictive codes, ordinances, licenses, and engineered containment systems designed in accordance with the District's Basis of Review Section 5.2.2(a). Pre-treatment requirements shall be determined on a case by case basis for the commercial areas at the time of application for construction authorization based on their proposed uses.

Special Conditions numbered 23 through 30 are renumbered to account for missing numbers 22 and 27.

Special Condition #29 is added as follows:

29. The permittee shall adhere to the provisions in Exhibit 6.0, Standard Protection Measures for the Eastern Indigo Snake.

Special Condition #30 is added as follows:

30. No later than September 1, 2010, the permittee shall install a data logger in the area designated as W2 on Exhibit 2 page 2 of 4 to automatically record surface water and ground water levels within the wetland. The well shall be installed to a depth adequate to ensure that the well does not go dry during the dry season. Data shall be collected and submitted at the time of application for the first construction phase of the development as well as in subsequent monitoring reports.

Special Condition #31 is added as follows:

31. At the time of application for construction, the permittee shall submit a Hazardous Waste Management Plan. In addition, the permittee shall obtain any necessary permits from the Florida Department of Environmental Protection for treating, storing, or disposing of hazardous waste.

Exhibit 1 is replaced with an updated map showing both the onsite and offsite parcels that are included in the permit.

Exhibit 3.3 - Pages 9 and 10 are replaced with a corrected legal description and sketch.

Exhibit 6.0 (Standard Protection Measures for the Eastern Indigo Snake) is added.

ENVIRONMENTAL RESOURCE PERMITTING DIVISION DIRECTOR:



Anita R. Bain

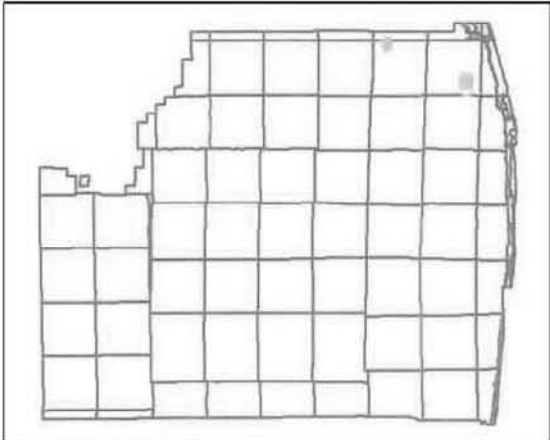
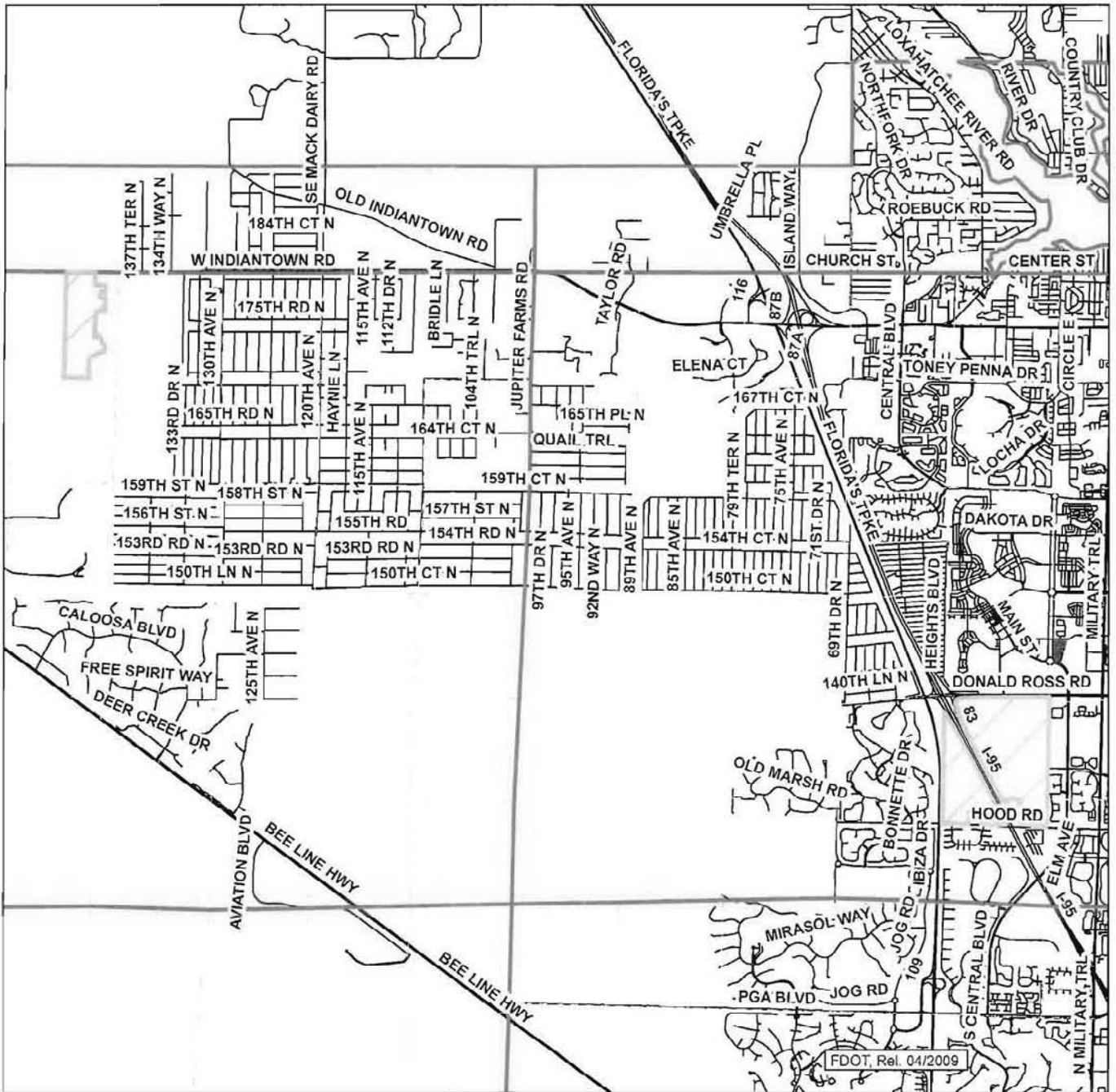
DATE: 5/4/2010

DEPUTY DIRECTOR ENVIRONMENTAL RESOURCE REGULATION DEPARTMENT:



Anthony M. Waterhouse, P.E.


DATE: 5/4/10



PALM BEACH COUNTY, FLORIDA



Legend

 Application

Map Date: 5/5/2010

Application Number: 090427-7

Permit Number: 50-00610-S-24

Project Name: SCRIPPS FLORIDA PHASE I I /
BRIGER

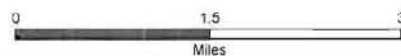


Exhibit : 1.1

LEGAL DESCRIPTION

SKETCH ONLY NOT A BOUNDARY SURVEY

CONSERVATION EASEMENT

A CERTAIN PARCEL OF LAND LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH ONE QUARTER (1/4) CORNER OF SAID SECTION 35; SAID 1/4 SECTION CORNER HAVING A NORTHING OF 922444.889, AND EASTING OF 942940.560;
 THENCE S 00°50'15" W, ALONG THE WEST LINE OF THE NORTHEAST ONE-QUARTER (1/4) OF SAID SECTION 35, A DISTANCE OF 547.02 FEET; THENCE S 89°09'45" E, DEPARTING SAID 1/4 SECTION SECTION LINE, A DISTANCE OF 618.32 FEET TO THE POINT OF BEGINNING, A POINT WHOSE NORTHING IS 921888.89 AND WHOSE EASTING IS 943550.82; THE AFORESAID POINT ALSO LYING ON THE EAST RIGHT OF WAY LINE OF INTERSTATE 95; THENCE CONTINUE N 28-0-9 W, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 987.54 FEET;
 THENCE N 21-1-58 E, A DISTANCE OF 183.11 FEET;
 THENCE S 84-27-28 E, A DISTANCE OF 60.89 FEET;
 THENCE N 52-37-12 E, A DISTANCE OF 261.72 FEET;
 THENCE S 67-25-4 E, A DISTANCE OF 153.92 FEET;
 THENCE N 88-43-20 E, A DISTANCE OF 103.87 FEET;
 THENCE S 74-48-45 E, A DISTANCE OF 122.18 FEET;
 THENCE S 10-13-31 E, A DISTANCE OF 108.22 FEET;
 THENCE S 15-49-21 W, A DISTANCE OF 120.65 FEET;
 THENCE S 55-46-34 W, A DISTANCE OF 87.37 FEET;
 THENCE S 21-12-36 W, A DISTANCE OF 210.57 FEET;
 THENCE S 51-7-37 W, A DISTANCE OF 82.08 FEET;
 THENCE S 0-49-41 W, A DISTANCE OF 587.57 FEET TO THE POINT OF BEGINNING.

CONTAINING 9.219 ACRES MORE OR LESS

LEGEND

P.O.C. = POINT OF COMENCEMENT
 P.O.B. = POINT OF BEGINNING
 P.B. = PLAT BOOK
 PG. = PAGE
 R = RADIUS
 L = ARC LENGTH
 Δ = CENTRAL ANGLE
 CB = CHORD BEARING
 R/W = RIGHT-OF-WAY
 CL = CENTERLINE


SURVEYOR'S NOTES :

- 1.) NO SEARCH OF THE PUBLIC RECORDS WAS MADE BY THIS OFFICE.
- 2.) THE BEARINGS AS SHOWN HEREON ARE BASED ON THE WEST LINE OF THE NORTH EAST 1/4 OF SECTION 35/41/42. ALL BEARINGS ARE RELATIVE THERETO.
- 3.) THIS IS NOT A BOUNDARY SURVEY.

CERTIFICATION:

UNLESS THIS DOCUMENT BEARS THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER, THIS DRAWING, MAP, SKETCH OR PLAT IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.

DATE : 2/4/09
 SIGNATURE DATE


 JONATHAN T. GILBERT
 PROFESSIONAL SURVEYOR AND MAPPER
 FLORIDA CERTIFICATE NO. 5604



MICHAEL B. SCHORAH & ASSOCIATES, INC.
 1850 FOREST HILL BLVD., SUITE 206
 WEST PALM BEACH, FLORIDA 33406
 EB# 2438 TEL. (561) 968-0080 FAX. (561) 642-9726 LB# 2438

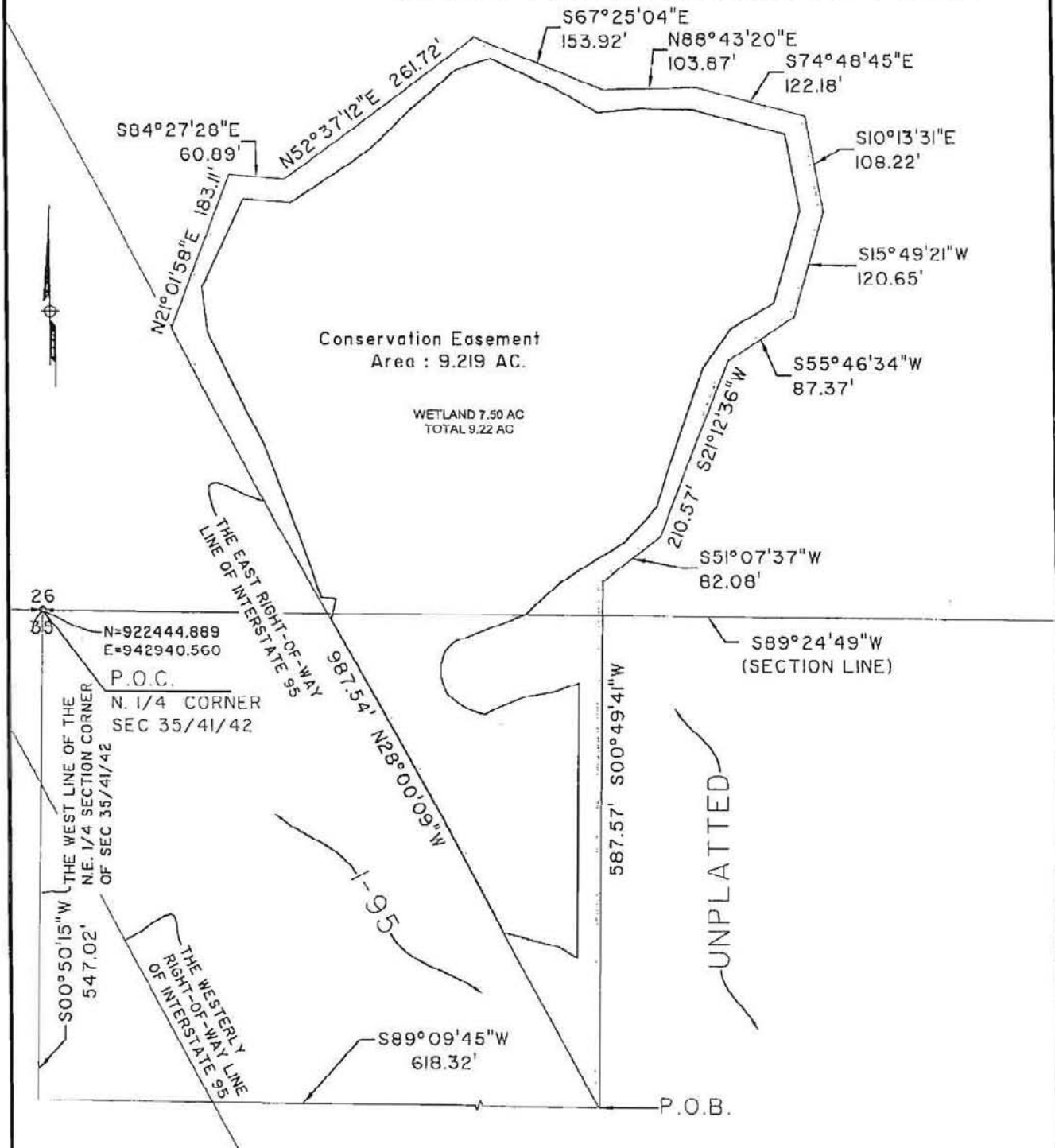
FIELD: N/A	DRAWN: M.A.M.	SCALE: N/A
BOOK: N/A	DATE: JULY 2009	PROJ FILE 1345 CADDFILE
PAGE: N/A	CHECKED: J.T.G.	BRIGER CONSERVATION

**SCRIPPS FLORIDA PHASE II /
 BRIGER DRI
 CONSERVATION EASEMENT**

SHEET NO 1 OF 2 | IOR NO 13-15

CONSERVATION EASEMENT

SKETCH ONLY NOT A BOUNDARY SURVEY



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**SCRIPPS FLORIDA PHASE II /
 BRIGER DRI
 CONSERVATION EASEMENT**

FILED: N/A	DRAWN: M.A.M.	SCALE: 1" = 150'
BOOK: N/A	DATE: JULY 2009	PROJ. FILE 1345 CADDFILE
PAGE: N/A	CHECKED: J.T.G.	BRIGER CONSERVATION EASEMENTS.DWG

SHEET NO. 2 OF 2 JOB NO. 1345

STANDARD PROTECTION MEASURES FOR THE EASTERN INDIGO SNAKE

1. An eastern indigo snake protection/education plan shall be developed by the applicant or requestor for all construction personnel to follow. The plan shall be provided to the Service for review and approval at least 30 days prior to any clearing activities. The educational materials for the plan may consist of a combination of posters, videos, pamphlets, and lectures (*e.g.*, an observer trained to identify eastern indigo snakes could use the protection/education plan to instruct construction personnel before any clearing activities occur). Informational signs should be posted throughout the construction site and along any proposed access road to contain the following information:
 - a. a description of the eastern indigo snake, its habits, and protection under Federal Law;
 - b. instructions not to injure, harm, harass or kill this species;
 - c. directions to cease clearing activities and allow the eastern indigo snake sufficient time to move away from the site on its own before resuming clearing; and,
 - d. telephone numbers of pertinent agencies to be contacted if a dead eastern indigo snake is encountered. The dead specimen should be thoroughly soaked in water and then frozen.
2. If not currently authorized through an Incidental Take Statement in association with a Biological Opinion, only individuals who have been either authorized by a section 10(a)(1)(A) permit issued by the Service, or by the State of Florida through the Florida Fish Wildlife Conservation Commission (FWC) for such activities, are permitted to come in contact with an eastern indigo snake.
3. An eastern indigo snake monitoring report must be submitted to the appropriate Florida Field Office within 60 days of the conclusion of clearing phases. The report should be submitted whether or not eastern indigo snakes are observed. The report should contain the following information:
 - a. any sightings of eastern indigo snakes and
 - b. other obligations required by the Florida Fish and Wildlife Conservation Commission, as stipulated in the permit.

Revised February 12, 2004

Last Date For Agency Action: June 1, 2010

INDIVIDUAL ENVIRONMENTAL RESOURCE PERMIT STAFF REPORT

Project Name: Scripps Florida Phase II / Briger

Permit No.: 50-00610-S-24

Application No.: 090427-7 **Associated File:** 100301-7 ERP Concurrent

Application Type: Environmental Resource (Conceptual Approval Modification)

Location: Palm Beach County, S26,35/T41S/R42E
S5/T41S/R41E

Permittee : The David Minkin Florida Realty Trust
Richard Thall
Robert Thall
Peter L Briger
Paul H Briger
The Lester Family Investments L P
Palm Beach County

**FINAL APPROVED BY
EXECUTIVE DIRECTOR
MAY 4, 2010
(INCLUDES ADDENDUM)**

Operating Entity : Npbcid & Poa

Project Area: 875.61 acres

Project Land Use: Residential
Commercial
Institutional

Drainage Basin: INTRACOASTAL WATERWAY

Receiving Body: NPBCID Unit 2 Master System

Class: N/A

Special Drainage District: Northern Palm Beach County Improvement District

Total Acres Wetland Onsite: 85.97

Total Acres Wetland Preserved Onsite: 7.50

Total Acres Impacted Onsite : 78.47

Total Acres Presv/Mit Compensation Onsite: 7.50

Total Acres Presv/Mit Compensation Offsite: 193.92

Offsite Mitigation Credits-Mit.Bank: 13.70 Loxahatchee Mitigation Bank

Conservation Easement To District : Yes

Sovereign Submerged Lands: No

PROJECT PURPOSE:

This application is a request for a modification of an Environmental Resource Permit to authorize conceptual approval for a surface water management system to serve 681.69 acres of mixed use development, 193.92 acres of off-site wetland mitigation at the Palm Beach County Pine Glades Natural Area and additional off-site mitigation through the purchase of mitigation credits at the Loxahatchee Mitigation Bank, known as Scripps Florida Phase II/Briger.

PROJECT EVALUATION:

PROJECT SITE DESCRIPTION:

The 681.69 acre project site includes two wedge-shaped parcels which are bisected by Interstate-95 and are located between Donald Ross Road on the north side and Hood Road on the south side, in the City of Palm Beach Gardens, Palm Beach County, as shown on Exhibit 1. With the exception of the highways, the site is surrounded by residential development.

The portion of the project site located east of Interstate-95 is mostly undeveloped and vegetated; however, approximately 50 acres located at the southeast corner of the site includes an existing horse farm with improved and unimproved pastures. The central and southern portions of this parcel contain a number of ditches that were created prior to the 1950's. The portion of the project site located west of Interstate-95 is also undeveloped and vegetated, but it also includes a few mobile homes on approximately 2 acres at the southern end of the site.

The upland habitats at the site are disturbed and degraded, and primarily include: pine flatwoods, mixed hardwood-pine forest, hardwood hammock, dry prairie, some of which are infested to varying degrees primarily with Melaleuca, Brazilian pepper, Australian pine and/or Japanese climbing fern.

The site also contains 85.97 acres of state jurisdictional wetlands and other surface waters as defined in Rule 62-340 F.A.C. and as described in the 'Wetlands' section below.

The southwest portion of the parcel located west of Interstate-95 contains a prehistoric/archaeological site which is proposed for preservation as described in the 'Historical/Archaeological Resources' section below.

In addition, off-site wetland mitigation will be performed at the Palm Beach County Pine Glades Natural Area and the Loxahatchee Mitigation Bank, as described in the 'Wetlands' section below.

PROJECT BACKGROUND:

The proposed project includes the development of a commercial, institutional and residential facilities associated with the Scripps Florida Phase II/Briger Development of Regional Impact (DRI) development. On April 1, 2010, the city of Palm Beach Gardens approved the development order for the proposed DRI.

A Formal Wetland Determination (No. 50-00009-F, Application No. 080417-8) was issued by the District on March 5, 2009, which identified the boundaries of all on-site state jurisdictional wetlands and other surface waters, as shown on Exhibit 3.0.

PROPOSED PROJECT:

The applicant requests conceptual approval for a new surface water management system for a 681.69 acre mixed-use development. The development includes but is not limited to, biotech research and development, office, hotel, retail, and residential uses including single family, townhouses and apartments.

The proposed surface water management system is primarily a wet detention system consisting of three large basins: A1, B1E and B1W. The system has been designed to provide water quality and storm attenuation prior to overflowing to the NPBCID Unit 2 master system. As shown in the conceptual plans (Exhibit 2), Basin B1W is located on the west side of I-95 and has a control elevation of 13.5 feet NGVD. Mostly residential development is anticipated in this basin with a small supporting commercial development. An existing 60-inch culvert located under I-95 will continue to connect the two wetland areas, W1 and W2 that are located on both west and east sides of I-95 respectively.

Basin B1E, located in the southeastern portion of the site, will be controlled at 13.0 feet NGVD. Anticipated development in this area will be mostly residential neighborhoods as well. Referring to Exhibit 2, runoff from the outparcels and the northern half of Hood Road will be directed into the Briger project area. These areas have been part of the basin historically and will be maintained in the future as evidenced by the culvert connections shown on the plans. Pervious and impervious assumptions were made for future Hood Road improvements and are listed in the land use table. B1E will overflow into the Unit 2 master system via a control structure and outfall pipe which discharges to a wet pond located within the adjacent San Michele development to the east.

Industrial and commercial development is planned in Basin A1 which is the northeastern basin. The lakes will be controlled at elevation 13.0 feet NGVD. Runoff from this basin will be directed eastward into the Unit 2 master system via a control structure and pipe connection into the lake within the Legends of the Gardens development to the east. Site grading assumptions and pervious/impervious percentages as well as stormwater modeling were submitted to demonstrate compliance with the existing master system for the overall NPBCID Unit 2 master system. In addition, the surface water management system for this basin has been designed to accommodate inflows from approximately 50 acres of I-95 right-of-way through an existing control structure which was permitted as part of the I-95 widening project (Permit No. 50-08169-P).

The project includes direct adverse impacts to a total of 78.47 acres of on-site wetlands. Wetland mitigation to offset the adverse impacts includes: 1) enhancement of 7.50 acres of on-site wetlands; 2) the purchase of 13.70 freshwater herbaceous credits at the Loxahatchee Mitigation Bank; and 3) off-site wetland and upland restoration and enhancement of 163.41 acres of wetlands, and preservation of 30.51 acres of other surface waters (a total of 193.92 acres) at the Palm Beach County Pine Glades Natural Area. Wetland impacts and mitigation information is described further in the 'Wetlands' section below.

The conceptual surface water management plans and wetland impacts and mitigation plans are included in Exhibits 2 and 3.0-3.4.

LAND USE:

The project area listed in the land use as Basins A-1, B1-E and B1-W refers to applicant-owned land. The applicant created assumptions for the future improvements to Hood Road. The total acreage of the outparcels are listed here as they were included in the model as they currently exist today. Upland preservation is identified in the land use table as "Preserved".

Conceptual:

		Area (ac)	Starting Elev. (ft)	Ending Elev. (ft)	Storage Type
A1	Lake Bank	7.78	13	16	Linear
	Open Space	55.58	16	19.1	Linear
	Pavement	114.31	16.4	18.5	Linear
	Building Coverage	78.25	18.5		N/A
	Lake	42.58	13		Vertical
	Preserved	7.5	14	17	Linear
Total:		306			
B1-E	Lake	20.39	13		Vertical
	Open Space	49.09	16	19	Linear
	Pavement	30.68	16.2	18.4	Linear
	Building Coverage	42.95	18.4		N/A
	Lake Bank	2.5	13	16	Linear
	Preserved	11.7	14	17	Linear
Total:		157.31			
B1-W	Building Coverage	47.61	18.8		N/A
	Pavement	38.55	16.7	18.8	Linear
	Open Space	42.21	17	19.4	Linear
	Wetland	7.5			N/A
	Lake Bank	3.1	13.5	17	Linear
	Preserved	60	15	18	Linear
Lake	19.41	13.5		Vertical	
Total:		218.38			
Hood Road	Pervious	2.62			
	Pavement	5.3			
Total:		7.92			
Outparcels	Other	25.52			
	Total:		25.52		

WATER QUANTITY :

Discharge Rate :

As shown in the table below, the proposed project discharge is within the allowable limit for the Unit 2 master system which is equivalent to 2.5 inches per acre per day.

Discharge Storm Frequency : 25 YEAR-3 DAY

Design Rainfall : 14.3 inches

Basin	Allow Disch (cfs)	Peak Stage (ft, NGVD 29)
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Basin	Allow Disch (cfs)	Method Of Determination	Peak Disch (cfs)	Peak Stage (ft, NGVD 29)
A1	37.36	Discharge Formula	14.25	17.63
B1-E	46.19	Discharge Formula	28.53	17.19

Finished Floors :

As shown in the following table and the attached exhibits, minimum finished floor elevations have been set at or above the calculated design storm flood elevation.

Building Storm Frequency : 100 YEAR-3 DAY

Design Rainfall : 17 inches

Basin	Peak Stage (ft, NGVD 29)	Proposed Min. Finished Floors (ft, NGVD 29)	FEMA Elevation (ft, NGVD 29)
A1	18.14	18.5	N/A
B1-W	18.31	18.8	N/A
B1-E	18.01	18.4	N/A

Road Design :

As shown in the following table and the attached exhibits, minimum road center lines have been set at or above the calculated design storm flood elevation.

Road Storm Frequency : 10 YEAR-1 DAY

Design Rainfall: 8.5 inches

Basin	Peak Stage (ft, NGVD 29)	Proposed Min. Road Crown (ft, NGVD 29)
A1	16.39	16.4
B1-W	16.56	16.7
B1-E	16.08	16.2

Control Elevation :

Basin	Area (Acres)	Ctrl Elev (ft, NGVD 29)	WSWT Ctrl Elev (ft, NGVD 29)	Method Of Determination
A1	306.00	13		Surrounding Projects
B1-W	220.41	13.5		Surrounding Projects
B1-E	163.20	13		Surrounding Projects
Outparcels	25.52	13.5		Surrounding Projects
Hood Road	7.92	13.5		Surrounding Projects

Receiving Body :

Basin	Str.#	Receiving Body
A1	CS TO AX11	Unit 2 Master System
B1-W	CS TO B1E	Wetland W1
B1-E	CS TO BX11	Unit 2 Master System

Discharge Structures: Note: The units for all the elevation values of structures are (ft, NGVD 29)

Bleeders:

Basin	Str#	Count	Type	Width	Height	Length	Dia.	Invert Angle	Invert Elev.
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Discharge Structures:

Bleeders:

A1	CS TO AX10	1	Triangular Orifice	1.58'	1.58'	13
B1-E	CS TO BX10	1	Triangular Orifice	1.83'	1.83'	13
B1-W	CS TO B1E	1	Triangular Orifice	1.33'	1.33'	13.5

Inlets:

Basin	Str#	Count	Type	Width	Length	Dia.	Crest Elev.
A1	CS TO AX10	1	Fdot Mod E Drop Inlet	4.5'	3'		17.65
B1-E	CS TO BX10	1	Fdot Mod E Drop Inlet	4.5'	3'		17.25
B1-W	CS TO B1E	1	Fdot Mod E Drop Inlet	4.5'	3'		17.7

Weirs:

Basin	Str#	Count	Type	Width	Height	Length	Dia.	Elev.
A1	CS TO AX10	1	Rectangular Orifice	.33'	2.15'			15.5 (crest)
B1-E	CS TO BX10	1	Rectangular Notch	3.17'	1.75'			15.5 (crest)
B1-W	CS TO B1E	1	Rectangular Notch	2.5'	2.2'			15.5 (crest)

WATER QUALITY :

Water quality treatment will be provided in the proposed wet detention system. Full treatment in the wet detention area within B1W is required prior to entering the wetlands, W1 and W2. No adverse water quality impacts are anticipated as a result of the proposed conceptual project.

To ensure that construction activities do not degrade on-site and off-site wetlands and other surface waters, future applications for project construction and operation authorization must include an erosion/turbidity control plan which identifies the type(s) and location(s) of proposed erosion/turbidity control measures.

Special Condition #33 requires that the applicant submit a Hazardous Waste Management Plan at the time of application for construction. In addition, the applicant is required to obtain any necessary permits from the Florida Department of Environmental Protection for the handling of hazardous waste materials.

Basin	Treatment Method	Vol Req.d (ac-ft)	Vol Prov'd
A1	Treatment Wet Detention	42.75 acres	38.6
B1-W	Treatment Wet Detention		17.9
B1-E	Treatment Wet Detention		36.65
			59.4

WETLANDS:

The project site contains a total of 83.21 acres of wetlands in 34 separate areas (referenced as Wetlands A-Z and AA-OO) that primarily consist of degraded wet prairie, freshwater marsh, wetland hardwood forest and hydric pine, some of which are infested to varying degrees with Melaleuca, Brazilian pepper, and/or Japanese climbing fern. The site also contains four ditches (referred to as other surface waters, and referenced as Ditches T-W) that are a total of 2.76 acres. The total acreage of state jurisdictional wetlands and other surface waters at the site is 85.97 acres. (Exhibit 3.0)

The majority of the wetlands at the site have been adversely impacted to varying degrees as a result of altered surface water and ground water hydrology associated with regional water management practices, which have reduced the depth and duration of hydrologic inundation/saturation on the site. However, staff

field observations revealed that hydrology within Wetland A located in the southwestern corner of the eastern half of the site has not been as adversely impacted as the other wetlands on the site. The hydrologic condition within this wetland is likely attributed to the wetland being hydrologically contiguous with the adjacent Interstate-95 roadway surface water management system by receiving storm water overflows during heavy storm events.

Wetland Impacts:

The project will result in direct adverse impacts to a total of 78.47 acres of on-site wetlands and other surface waters: Wetlands A (7.68 acres), AA (1.41 acres), C (2.58 acres), CC (16.59 acres), D (0.73 acre), DD (1.63 acres), E (5.17 acres), F (3.03 acres), FF (0.97 acre), G (5.63 acres), GG (2.90 acres), H (0.61 acre), HH (2.98 acres), I (3.56 acres), J (3.23 acres), K (1.04 acres), L (0.57 acre), LL (1.28 acres), M (5.90 acres), MM (0.79 acre), O (2.78 acres), P (2.21 acres), Q (2.02 acres), R (1.21 acres), and S (5.18 acres); and Ditches U (1.41 acres), and V (1.15 acres) and W (0.16 acre) which are contiguous, as shown on Exhibit 3.1.

The project also includes enhancement of 7.50 acres of on-site Wetland A, as shown on Exhibit 3.1.

The permittees have demonstrated that provisions of Section 4.2.1.2(b) of the Basis of Review for Environmental Permit Applications have been met regarding the elimination of reduction of wetland impacts. Detailed information on this issue is provided in the 'Mitigation Proposal' section below.

Mitigation Proposal:

Based upon the criteria outlined in Section 4.2.2.1 of the Basis of Review for Environmental Resource Permit Applications, wetland mitigation is not required to offset adverse impacts to isolated wetland areas that are less than 0.5 acre in size. Therefore, no wetland protection or mitigation requirements are required for Wetlands BB (0.22 acre), EE (0.20 acre), II (0.10 acre), JJ (0.32 acre), N (0.25 acre), OO (0.08 acre), X (0.13 acre), Y (0.10 acre), Z (0.13 acre) and Ditch T (0.04 acre).

In addition, wetland impacts and mitigation were previously addressed for portions of Wetlands M, J, I and K, associated with the Town of Jupiter Water Use Permit (Permit No. 50-00010-W, Application No. 030303-17). Specifically, as identified in that permit, partial impacts were assessed for wetlands located within the 0.1 foot drawdown contour. Wetlands M, J, I and K, are located within the 0.1 foot drawdown contour and the District determined that a functional loss of 1.59 units (as calculated using the Uniform Mitigation Assessment Method, Chapter 62-345, Florida Administrative Code) would occur as a result of the permitted hydrologic drawdown within these wetlands. To offset the wetland impacts associated with the water allocation authorized by the Water Use Permit, the Town of Jupiter provided mitigation by purchasing credits from the Loxahatchee Mitigation Bank. The mitigation requirements for Wetlands M, J, I and K, associated with the current ERP application only reflect the remaining functions of those wetlands once the hydrologic impacts resulting from the Town of Jupiter Water Use Permit are considered.

The permittees propose to mitigate for 78.47 acres of adverse impacts to wetlands and other surface waters by enhancing 7.50 acres of on-site wetlands, purchasing 13.7 credits at the Loxahatchee Mitigation Bank, and restoring and enhancing 163.41 acres of wetlands and uplands at the Palm Beach County Pine Glades Natural Area, as further described below and as described and shown on Exhibits 3.2-3.4. In addition, although no preservation or mitigation credit is given in this permit, the applicant proposes to preserve and/or enhance a total of 83.26 acres of native habitat on the site. This includes the preservation of upland areas that support several populations of endangered hand fern.

The permittees have demonstrated that provisions of Section 4.2.1.2(b) of the Basis of Review for

Environmental Permit Applications have been met regarding the elimination of reduction of wetland impacts. Specifically, the permittees were not required to implement practicable design modifications to reduce or eliminate wetland impacts because the wetland mitigation proposal includes additional mitigation beyond that which is required to offset the 78.47 acres of wetland impacts and which is part of a plan that provides regional ecological value, as described in the Off-Site Mitigation at Palm Beach County Pine Glades Natural Area sub-section below.

ON-SITE WETLAND MITIGATION -

The permittees propose to enhance 7.50 acres of on-site freshwater marsh wetlands as described and depicted in the narrative information and project plans provided in Exhibit 3.2, pages 2, 3, 5, 6 and 7. Wetland enhancement activities include nuisance/exotic vegetation removal, natural recruitment of desirable native wetland species, and preserving the existing hydrologic regime of the wetlands by directing treated surface water flows to the wetlands as shown on Exhibit 2, as part of the proposed surface water management system.

To address potential secondary impacts to the on-site wetland enhancement area, in accordance with requirements contained in Section 4.2.7 of the Basis of Review for Environmental Permit Applications, a 1.72 acre protective upland spatial buffer, 25-feet in width, will be created around the 7.50 acre wetland enhancement area. The proposed upland buffer is currently vegetated with disturbed pine flatwoods which are dominated by a canopy of native slash pine and an understory of saw palmetto and gallberry. All exotic vegetation will be eradicated from the buffer area and allowed to naturally recruit with native upland and transitional pine flatwoods species. It is anticipated that natural recruitment will fill in any small areas left barren after exotic vegetation is removed. In addition, ten (10) permanent signs designating the preserve status of the on-site wetland enhancement and buffer areas will be placed along the landward edge of the buffer area. These signs will be maintained by the permittees in perpetuity.

OFF-SITE WETLAND MITIGATION AT THE LOXAHATCHEE MITIGATION BANK -

As compensation for impacts to a total of 26.14 acres of freshwater marsh wetlands, the permittees will mitigate off-site by purchasing 13.70 freshwater herbaceous credits at the Loxahatchee Mitigation Bank.

The Loxahatchee Mitigation Bank (LMB) is a 1,256-acre parcel located in southern Palm Beach County. The LMB occurs within the ecologically significant East Coast Buffer adjacent to the Arthur R. Marshall Loxahatchee National Wildlife Refuge. Wetland activities within the LMB will result in the restoration of degraded herbaceous and forested wetlands within the historic limits of the Florida Everglades.

The number of credits to be purchased to off-set the proposed wetland impacts was determined based on a functional assessment evaluation of the on-site wetlands using Wetland Rapid Assessment Procedure (WRAP) which is the same methodology as that used to determine the credit allocation for the LMB, and applying a 15% increase adjustment to the number of mitigation credits necessary to off-set functional impacts to account for time lag and risk involved in the goals being achieved for the LMB. A copy of District staff's mitigation WRAP calculations are contained in the District permit file.

A letter of reservation from a representative of the LMB confirming that 13.70 freshwater herbaceous credits are reserved as a portion of the mitigation for this project is provided as Exhibit 3.2, page 8. As shown on Exhibit 3.2, page 8, pursuant to Exhibit 5, and as stipulated in the special conditions of this permit, no later than March 25, 2012, and prior to the commencement of any wetland impacts associated with the proposed project, the permittees will submit verification that 13.70 freshwater herbaceous credits have been debited from the Loxahatchee Mitigation Bank ledger for this project by the Florida Department of Environmental Protection.

OFF-SITE WETLAND MITIGATION AT PALM BEACH COUNTY PINE GLADES NATURAL AREA -

As compensation for impacts to a total of 50.76 acres of primarily wet prairie and hydric pine flatwoods wetlands, the permittees will mitigate off-site by restoring, enhancing, and preserving off-site wetlands, uplands and other surface waters located at the Palm Beach County Pine Glades Natural Area located in northern Palm Beach County near the northeast corner of the intersection of Indiantown Road and Pratt

Whitney Road, as described and depicted on Exhibit 3.2, pages 2-5 and 9-20. Specifically, this off-site mitigation includes restoring and enhancing 139.6 acres of wetlands and 23.81 acres of uplands, and preserving 30.51 acres of open water area, for a total of 193.92 acres. The 193.92 acre area is owned by Palm Beach County and will be a component of a large-scale wetland landscape restoration, enhancement, preservation, and management project that includes surrounding Palm Beach County-owned natural upland and wetland areas.

Concurrent authorization is requested by Palm Beach County to modify the existing Pine Glades North Mitigation Area Permit (Permit No. 50-08231-P, Application No. 100301-7) to remove the 193.92 acre off-site mitigation area from that permit for use as mitigation for this project. The permit modification includes removing 29.61 mitigation functional units (functional gain) for the authorized wetland/upland restoration, enhancement, and preservation activities in the 193.92 acre area from that permit, where the associated mitigation functional units would no longer be available as mitigation for wetland impacts associated with future Palm Beach County projects. It should be noted that the wetland/upland restoration, enhancement, and preservation activities previously authorized under that permit for the 193.92 acre area, have not yet been performed by Palm Beach County. The application for the modification of the Pine Glades North Mitigation Area Permit (Permit No. 50-08231-P, Application No. 100301-7) to delete 193.92 acres from that permit was issued on April 27, 2010.

The 193.92 acre off-site mitigation area at the Pine Glades Natural Area includes 163.41 acres of a mixture of high quality to low quality natural areas and areas altered from past agricultural activities, which consist of depressional marsh wetlands, wet prairie wetlands, hydric pine flatwoods wetlands, pine flatwoods uplands, roads and berms, and 30.51 acres of man-made borrow pits (open water areas). Although the 30.51 acres of open water areas are located within the off-site mitigation area, no restoration or enhancement activities are being performed within, and no mitigation credit is being provided for these areas.

The restoration, enhancement, and preservation activities include: 1) removal/eradication and ongoing control of invasive exotic and nuisance plant species; 2) restoration of the previously farmed areas to remove existing furrows and agricultural ditches; and 3) site modifications to improve hydrology that include scraping down existing ground elevations to appropriate surrounding wetland elevations.

Palm Beach County currently controls this area for feral hog populations, limits unauthorized off-road vehicle and equestrian use, is placing the site under a passive recreational conservation easement to the District, and has incorporated the area into the County's Pine Glades Natural Area Management Plan which provides for on-going management and maintenance of the site.

Pursuant to Rule 62-345, Florida Administrative Code, a functional assessment using the Uniform Mitigation Assessment Method (UMAM) was conducted to determine the amount of mitigation needed to offset the 50.76 acres of wetland impacts and to determine the value of the off-site mitigation at the Pine Glades Natural Area. According to that assessment, the wetland functional loss resulting from these wetland impacts was determined to be -24.65 units. However, as indicated in the 'Wetland Impacts' section above, the permittees are not required to offset the functional loss of -1.59 units for Wetlands M, J, I and K, which were previously addressed under the Town of Jupiter Water Use Permit (Permit No. 50-00010-W, Application No. 030303-17). Therefore, the permittees are required to offset a functional loss of -23.06 units. Also according to that UMAM assessment, for which the UMAM functional gain was previously determined in the original Pine Glades North Mitigation Area permit (Permit No. 50-08231-P, Application No. 070628-6) and was used in the UMAM assessment for this project, the off-site wetland mitigation at Pine Glades Natural Area will result in a functional gain of +23.06 units. A copy of District staff's mitigation UMAM calculations are contained in the District permit file.

Additionally, in order to meet the provision of Section 4.2.1.2(b) of the Basis of Review for Environmental Permit Applications regarding the elimination and reduction of wetland impacts, the permittees have proposed additional wetland enhancement at Pine Glades North Mitigation Area for an additional mitigation functional gain of +7.17 units (for a total functional gain of +30.23 units) beyond that which is required to offset the functional loss of -23.06 units.

FUTURE APPLICATIONS FOR PROJECT CONSTRUCTION AND OPERATION -

Future applications for project construction and operation authorization must include: 1) a draft financial assurance mechanism (e.g. surety bond, letter of credit) to the District in the amount of 110% of the estimated cost for completing the on-site wetland restoration plan and for the off-site wetland mitigation at the Pine Glades Natural Area; 2) a work schedule for the on-site wetland enhancement and buffer construction areas that includes calendar dates for the completion of construction of surface water management control structures, earthwork/site grading, exotic/nuisance plant eradication/control, installation of permanent signs and submittal of baseline and annual monitoring reports; and 3) a work schedule for the off-site wetland restoration and enhancement activities at the Pine Glades Natural Area that includes calendar dates for the completion of earthwork/site grading, exotic/nuisance plant eradication/control, and submittal of time-zero and annual monitoring reports, all as stipulated in the special conditions of this permit.

In addition, prior to any construction at the project site, and prior to March 25, 2012, the permittee shall provide the District proof of purchase of 13.70 freshwater herbaceous credits from the Loxahatchee Mitigation Bank, as stipulated in the special conditions of this permit. Also, the permittee shall perform the 193.92 acre off-site wetland mitigation at the Pine Glades Natural Area prior to or concurrently with any future application for project construction and operation authorization, as stipulated in the special conditions of this permit.

Cumulative Impact Assessment:

The proposed project and associated wetland impacts are located in the basin identified as South Indian River basin for purposes of performing a cumulative impacts analysis. The proposed mitigation plan consists of the preservation and enhancement of 7.5 acres of herbaceous wetlands onsite. In addition, the offsite mitigation proposed at Pine Glades Natural Area is located in the SIR Basin. The 193.92 acres of wetland restoration at Pine Glades Natural Area mitigation proposal will offset impacts to a total of 50.76 acres of wetlands.

In addition, the applicant proposes to purchase 13.70 herbaceous credits from the Loxahatchee Mitigation Bank which is located offsite in the C-16 Basin to the south of this project. The purchase of mitigation bank credits will offset a total of 26.14 acres of impacts to herbaceous wetlands.

District staff evaluated the SIR Basin to determine the extent of publicly owned conservation lands, conservation easements, existing development and existing Environmental Resource and Management and Storage of Surface Water (MSSW) permits. The vast majority of the basin is either already preserved through public ownership or conservation easements, or is already developed or permitted for development. In addition, due to the generally low quality of the wetlands and the existing ongoing hydrologic impacts on the wetlands on the site, the proposal to offset 67% of the wetlands impacts within the SIR Basin and 31% of the proposed wetland impacts outside of the basin will not cause significant adverse secondary or cumulative impacts to water resources within the South Indian River Basin and is not contrary to the public interest. This determination is specific to this project site and may not apply to other projects in the South Indian River Basin.

Monitoring/Maintenance:

ON-SITE MITIGATION AREA -

A monitoring and maintenance program for the 9.22 acre on-site wetland mitigation and upland buffer areas will be implemented in accordance with Exhibit 3.2, pages 3, 5, and 6.

Monitoring activities will include vegetation sampling, photographic documentation, fish and wildlife observations and hydrologic conditions documentation. The monitoring program will extend for a period of 5 years with annual reports submitted to District staff. At the end of the first monitoring period the mitigation area will contain an 80% survival of planted vegetation. The 80% survival rate will be maintained throughout the remainder of the monitoring program, with replanting as necessary. If native

wetland, transitional, and upland species do not achieve an 80% coverage within the initial two years of the monitoring program, native species will be planted in accordance with the maintenance program. At the end of the 5 year monitoring program the entire mitigation area will contain an 80% survival of planted vegetation and an 80% coverage of desirable obligate and facultative wetland species.

Maintenance will be conducted in perpetuity to ensure that the conservation areas are maintained free from Category 1 exotic vegetation (as defined by the Florida Exotic Pest Plant Council at the time of permit issuance) immediately following a maintenance activity. Maintenance in perpetuity shall also insure that conservation areas, including buffers, maintain the species and coverage of native, desirable vegetation specified in the permit. Coverage of exotic and nuisance plant species will not exceed 5% of total cover between maintenance activities. In addition, the permittees will manage the conservation areas such that exotic/nuisance plant species do not dominate any one section of those areas.

OFF-SITE MITIGATION AT PINE GLADES NATURAL AREA -

A monitoring and maintenance program for the 193.92 acres off-site wetland mitigation area at the Pine Glades Natural Area will be implemented in accordance with Exhibit 3.2, pages 3-5. The monitoring and maintenance program will be conducted concurrently with the monitoring and maintenance program for the Pine Glades North Mitigation Area (Permit No. 50-08231-P, Application No. 070628-6), Pine Glades West Mitigation Area (Permit No. 50-08231-P, Application No. 070911-15) and Pine Glades South (Permit No. 50-05422-P, Application No. 040817-16), as applicable, which extends until July 2016.

The monitoring and maintenance program includes two control monitoring stations and three (3) staff gauges within the Pine Glades North Mitigation Area, of which one (1) of these staff gauges is located within the off-site mitigation area for this project. As these stations are already being monitored for the Pine Glades North Mitigation Area, the Pine Glades West Mitigation Area, and the Pine Glades South Mitigation Area, the 193.92 acre mitigation area will be included in the overall monitoring reports for Pine Glades Natural Area. Twice yearly vegetation transect surveys and photo-point monitoring, as well as migratory and non-migratory wildlife surveys, and annual macrofauna surveys will be conducted. Staff gauge readings will be recorded for each of the 12 staff gauges on a monthly basis through the monitoring period. Annual monitoring reports will be submitted for 5 years.

Wetland Inventory :

CONCEPTUAL MOD -Off-Site Mitigation at Pine Glades Natural Area

Site Id	Site Type	Pre-Development				Post-Development						
		Pre Fluc cs	AA Type	Acreage (Acres)	Current Wo Pres	With Project	Time Lag (Yrs)	Risk Factor	Pres. Adj. Factor	Post Fluc cs	Adj Delta	Functional Gain / Loss
1	OFF	641	Enhancement	20.84	.70	.83	3	1.25		641	.097	2.026
10	OFF	500	Preservation	30.51	.00	.00	1	1.00				
2	OFF	641	Enhancement	12.36	.50	.83	5	1.75		641	.165	2.045
3	OFF	600	Restoration/Creation	78.59	.43	.83	5	1.75		643	.201	15.757
4	OFF	625	Enhancement	4.92	.63	.83	3	1.25		625	.150	.736
5	OFF	625	Enhancement	7.11	.47	.83	6 - 10	1.75		625	.165	1.170
6	OFF	411	Enhancement	18.66	.70	.85	3	1.25		411	.112	2.093
7	OFF	411	Enhancement	5.15	.55	.85	6 - 10	1.75		411	.137	.706
8	OFF	619	Enhancement	5.22	.33	.83	5	1.75		641	.251	1.308
9	OFF	740	Restoration/Creation	10.56	.00	.83	5	1.75		641	.416	4.393
Total:				193.92								30.23

Wetland Inventory :

CONCEPTUAL MOD -On-Site Wetland Preservation

Site Id	Site Type	Pre-Development				Post-Development						
		Pre Fluc cs	AA Type	Acreage (Acres)	Current Wo Pres	With Project	Time Lag (Yrs)	Risk Factor	Pres. Adj. Factor	Post Fluc cs	Adj Delta	Functional Gain / Loss
WL A	ON	641	Preservation	7.50	.60	.60	1	1.50		641		
Total:				7.50								

Wetland Inventory :

CONCEPTUAL MOD -Wetland Impacts - Mitigated at Pine Glades Natural Area

Site Id	Site Type	Pre-Development				Post-Development						
		Pre Fluc cs	AA Type	Acreage (Acres)	Current Wo Pres	With Project	Time Lag (Yrs)	Risk Factor	Pres. Adj. Factor	Post Fluc cs	Adj Delta	Functional Gain / Loss
C	ON	643	Direct	1.17	.37	.00					-370	-433
CC	ON	610	Direct	15.21	.47	.00					-470	-7.149
DD	ON	643	Direct	1.63	.40	.00					-400	-.652
F	ON	619	Direct	3.03	.50	.00					-500	-1.515
FF	ON	643	Direct	.97	.47	.00					-470	-.456
G	ON	619	Direct	4.72	.47	.00					-470	-2.218
H	ON	619	Direct	.61	.47	.00					-470	-.287
I	ON	619	Direct	3.56	.50	.00					-500	-1.780
J	ON	619	Direct	3.23	.33	.00					-330	-1.066

CONCEPTUAL MOD -Wetland Impacts - Mitigated at Pine Glades Natural Area

Site Id	Site Type	Pre-Development				Post-Development							
K	ON 643	Direct	1.04	.40	.00								
LL	ON 619	Direct	1.28	.40	.00								
M	ON 619	Direct	5.90	.50	.00								
Q	ON 619	Direct	2.02	.47	.00								
R	ON 619	Direct	1.21	.53	.00								
S	ON 643	Direct	5.18	.70	.00								
Total:			50.76										

Wetland Inventory :

CONCEPTUAL MOD -Wetland Impacts - No Mitigation Required

Site Id	Site Type	Pre-Development				Post-Development						
		Pre Fluc cs	AA Type	Acreage (Acres)	Current Wo Pres	With Project	Time Lag (Yrs)	Risk Factor	Pres. Adj. Factor	Post Fluc cs	Adj Delta	Functional Gain / Loss
BB	ON 643	Direct		.22							.000	.000
EE	ON 643	Direct		.20							.000	.000
II	ON 642	Direct		.10							.000	.000
JJ	ON 643	Direct		.32							.000	.000
N	ON 643	Direct		.25							.000	.000
OO	ON 643	Direct		.08							.000	.000
T	ON 642	Direct		.04							.000	.000
X	ON 643	Direct		.13							.000	.000
Y	ON 643	Direct		.10							.000	.000
Z	ON 643	Direct		.13							.000	.000
Total:				1.57								.00

Wetland Inventory :

CONCEPTUAL MOD -Wetlands Impacts - Mitigated at Loxahatchee Mitigation Bank

Site Id	Site Type	Pre-Development				Post-Development						
		Pre Fluc cs	AA Type	Acreage (Acres)	Current Wo Pres	With Project	Time Lag (Yrs)	Risk Factor	Pres. Adj. Factor	Post Fluc cs	Adj Delta	Functional Gain / Loss
A	ON 641	Direct		.18						744	.000	.000
AA	ON 619	Direct		1.41						744	.000	.000
C	ON 641	Direct		1.41						744	.000	.000
CC	ON 641	Direct		1.38						744	.000	.000

CONCEPTUAL MOD -Wetlands Impacts - Mitigated at Loxahatchee Mitigation Bank

Site Id	Site Type	Pre-Development			Post-Development		
D	ON 641	Direct	.73	744	.000	.000	
E	ON 619	Direct	5.17	744	.000	.000	
G	ON 619	Direct	.91	744	.000	.000	
GG	ON 619	Direct	2.90	744	.000	.000	
HH	ON 619	Direct	2.98	744	.000	.000	
L	ON 641	Direct	.57	744	.000	.000	
MM	ON 619	Direct	.79	744	.000	.000	
O	ON 641	Direct	2.78	744	.000	.000	
P	ON 641	Direct	2.21	744	.000	.000	
U,V,W	ON 641	Direct	2.72	744	.000	.000	
Total:			26.14			.00	

<u>Flucss Code</u>	<u>Description</u>
411	Pine Flatwoods
411	Pine Flatwoods - Hydric
411	Pine Flatwoods - Upland
500	Water
600	Wetlands
610	Wetland Hardwood Forests
619	Melaleuca - Brazilian Pepper - Exotics Hardwoods
625	Hydric Pine Flatwoods
641	Freshwater Marshes
642	Saltwater Marshes
643	Wet Prairies
740	Disturbed Lands
744	Fill Areas

MITBANK LOXAHATCHEE MITIGATION BANK

Type Of Credits	Number Of Credits
Fresh Water Herbaceous	Mitigation Bank Cr Used 13.70
Total:	13.70

Wildlife Issues:

A listed species survey was conducted on the project site by the permittees by conducting a series of pedestrian transects through the various upland and wetland vegetative communities, and looking for the presence of listed wetland-dependent species or their habitat. The surveys were conducted using pedestrian belt transects and pedestrian loop trail transects based on Florida Fish and Wildlife Conservation Commission (FWC) methodology. Wildlife observations revealed the presence of the snowy egret and white ibis which are listed as a species of special concern by FWC. Based upon the existing altered/degraded condition of the on-site wetlands which are proposed to be adversely impacted, the project site does not contain preferred habitat for wetland-dependent endangered or threatened wildlife species or species of special concern and submitted information indicates that potential use of the site by such species is minimal. Although the Eastern Indigo snake was not observed onsite during the wildlife survey, the applicant submitted a document titled "Standard Protection Measures for the Eastern Indigo Snake" which is attached as Exhibit 6.0. This plan outlines contractor education and monitoring provisions that are proposed to be implemented during construction of any phases of the project.

Field investigations performed by Palm Beach County within the areas surrounding the off-site wetland mitigation area at Pine Glades Natural Area revealed that the following listed species have been observed: American alligator, little blue heron, Florida sandhill crane and woodstork. Submitted information indicated that listed species known, suspected or potentially occurring on the site also include a variety of wading birds, snail kite, crested caracara, bald eagle, southeast American kestrel, peregrine falcon, least tern, eastern indigo snake, gopher frog, Florida panther and Sherman's fox squirrel. The restoration and enhancement of habitats within the off-site wetland mitigation area at the Pine Glades Natural Area is expected to provide improved habitat of greater value to such species.

Additionally, the Loxahatchee Mitigation Bank will also provide higher quality habitat of greater value to wetland-dependent wildlife species.

This permit does not relieve the permittees from complying with all applicable rules and any other agencies' requirements if, in the future, endangered/threatened species or species of special concern are discovered on the project site or on the off-site wetland mitigation area at the Pine Glades Natural Area.

LEGAL ISSUES:

ON-SITE WETLAND MITIGATION AREA -

The on-site 7.50 acre wetland preservation and 1.72 acre buffer areas (9.22 acres total) will be legally protected long-term by the permittees recording of a Deed of Conservation Easement granted to the District. The final recorded conservation easement document will be in complete conformance with the draft Standard Deed of Conservation Easement document provided in Exhibit 3.3.

The permittees are the responsible entities for the 9.22 acre on-site wetland enhancement and buffer areas construction, maintenance, 5-year monitoring and success. However, should the project site be sold, the new owner(s) will be required to accept responsibility for these activities.

The permittees have indicated that the entity responsible for the perpetual maintenance of the 9.22 acre on-site wetland preservation area will be a property owners association (POA). As verification of notification to the property owners of the conservation status and use restrictions of the on-site wetland preservation area, and the property owners associated responsibilities for these areas, the permittees have provided a draft of the Declaration of Protective Covenants, Restrictions and Easements for the POA. The final Property Owners Association (POA) Declaration of Covenants, Conditions, and Restrictions document will be in substantial conformance with the draft document (a copy of the draft document can be found in the District permit file), a portion of which is provided in Exhibit 3.4 which specifically addresses the 9.22 acre conservation easement area.

OFF-SITE WETLAND MITIGATION AT PINE GLADES NATURAL AREA -

The 193.92 acre off-site wetland mitigation area at Pine Glades will be protected long-term by Palm

Beach County's recording of a Passive Recreational Conservation Easement in favor of the District, in accordance with the permits for Pine Glades North Mitigation Area (Permit No. 50-08231-P, Application No. 070628-6) and Pine Glades West Mitigation Area (Permit No. 50-08231-P, Application No. 070911-15).

The permittees are the responsible entity for the 193.92 acre off-site wetland mitigation area construction, maintenance, 5-year monitoring and success. However, should the project site be sold, the new owner(s) will be required to accept responsibility for these activities.

Once the off-site wetland mitigation area is deemed successful by the District, Palm Beach County is the responsible entity for the perpetual maintenance and management of the 193.92 acre off-site wetland mitigation area as part of Palm Beach County's overall Pine Glades Natural Area Management Plan, in accordance with the permits for Pine Glades North Mitigation Area (Permit No. 50-08231-P, Application No. 070628-6) and Pine Glades West Mitigation Area (Permit No. 50-08231-P, Application No. 070911-15).

OPERATING ENTITY:

Northern Palm Beach County Improvement District (NPBCID) will operate and maintain the primary and secondary surface water management system, unless the Property Owners Association (POA) contracts with NPBCID for the POA to maintain the surface water management system and such other NPBCID facilities.

A master POA will be responsible for the 7.50 acre on-site wetland enhancement and 1.72 acres of buffer area (a total of 9.22 acres) in accordance with specific language in the draft POA Declaration of Covenants, Conditions, and Restrictions document included as Exhibit 3.4.

Palm Beach County is the responsible entity for the perpetual maintenance and management of the 193.92 acre off-site wetland mitigation area at the Pine Glades Natural Area as part of the County's overall Pine Glades Natural Area Management Plan.

RELATED CONCERNS:

Water Use Permit Status:

As this is a conceptual request, there are no dewatering activities or irrigation proposed at this time.

Based upon the permittees' coordination with Seacoast Utility Authority, irrigation quality water will be available for the project in 2013. It is the permittees intent to irrigate the first phase of development, which will be conducted during 2010-2013, from the proposed on-site lake system until irrigation quality water is available. This lake system will be constructed with the capability of being converted to use the irrigation quality water supply. Later phases of development will use irrigation quality water when it is available.

No irrigation water use or construction dewatering is authorized under this conceptual permit.

This permit does not release the permittees from obtaining all necessary Water Use authorization(s) prior to the commencement of activities which will require such authorization, including construction dewatering and irrigation, unless the work qualifies for a No-Notice Short-Term Dewatering permit pursuant to Chapter 40E-20.302(3) or is exempt pursuant to Section 40E-2.051, FAC.

CERP:

The proposed project is not located within or adjacent to a Comprehensive Everglades Restoration Project component.

Potable Water Supplier:

Seacoast Utilities

Waste Water System/Supplier:

Seacoast Utilities

Right-Of-Way Permit Status:

A District Right-of-Way Permit is not required for this project.

DRI Status:

This project is a DRI (SFWMD ID No. 09-520). The Development Order for this DRI was issued by the City of Palm Beach Gardens on April 1, 2010.

Historical/Archeological Resources:

The District received a copy of correspondence from the Florida Department of State, Division of Historical Resources (DHR) indicating that the project site contains a prehistoric/archaeological site. Specifically, one area of the northeast portion of the hardwood hammock located near the southwest corner of the western parcel, exhibits a concentration of prehistoric material which the DHR references as Briger Site 8PB13953. The DHR recommends that this portion of the site be preserved. (Exhibit 4.0)

The DHR has indicated that if preservation of Briger Site 8PB13953 is not possible, then additional investigations to determine the site's eligibility for listing on the National Register of Historic Places (NRHP) should be employed by the permittees. However, if the permittees preserves Briger Site 8PB13953, the DHR has determined that the proposed development will have no effect on the cultural resources, or eligibility of the site for listing on the NRHP.

The permittees proposes to preserve Briger Site 8PB13953, which is identified as "Archaeologically

Significant Site" and is shown on Exhibit 2 of the conceptual drainage plans. The DHR has provided correspondence to the District which requires that written confirmation be provided to the DHR to indicate that all proposed project activities continue to avoid Briger Site 8PB13953, in accordance with Exhibit 4.1. Therefore, a copy of this permit will be sent to the DHR.

If future applications for project construction and operation include modifications to the conceptual site plan authorized under this conceptual authorization which may adversely impact Briger Site 8PB13953, the permittees will coordinate with the DHR, as stipulated in the special conditions of this permit.

This permit does not release the permittees from compliance with the requirements of the DHR or any other agencies' requirements regarding Briger Site 8PB13953 or in the event that other historical and/or archaeological resources are found on the site.

DCA/CZM Consistency Review:

The issuance of this permit constitutes a finding of consistency with the Florida Coastal Management Program.

Third Party Interest:

No third party has contacted the District with concerns about this application.

Enforcement:

There has been no enforcement activity associated with this application.

STAFF RECOMMENDATION TO EXECUTIVE DIRECTOR:

The Staff recommends that the following be issued :

Conceptual authorization for a surface water management system to serve 681.69 acres of mixed use development, 193.92 acres of off-site wetland mitigation at the Palm Beach County Pine Glades Natural Area and additional off-site mitigation at the Loxahatchee Mitigation Bank, known as Scripps Florida Phase II/Briger.

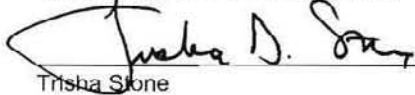
Based on the information provided, District rules have been adhered to.

Staff recommendation is for approval subject to the attached General and Special Conditions.

STAFF REVIEW:

NATURAL RESOURCE MANAGEMENT APPROVAL

ENVIRONMENTAL EVALUATION


Trisha Stone

SUPERVISOR


Barbara J. Conmy

SURFACE WATER MANAGEMENT APPROVAL

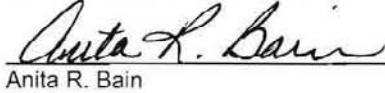
ENGINEERING EVALUATION


Rosalyn W. Ellington

SUPERVISOR

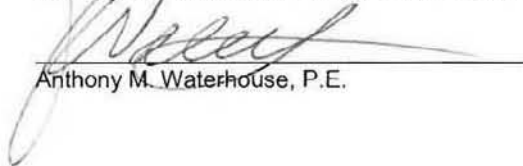

Carlos A. de Rojas, P.E.

ENVIRONMENTAL RESOURCE PERMITTING DIVISION DIRECTOR :


Anita R. Bain

DATE: 5/4/2010

ENVIRONMENTAL RESOURCE REGULATION DEPUTY DEPARTMENT DIRECTOR :


Anthony M. Waterhouse, P.E.

DATE: 5/4/10

GENERAL CONDITIONS

1. All activities authorized by this permit shall be implemented as set forth in the plans, specifications and performance criteria as approved by this permit. Any deviation from the permitted activity and the conditions for undertaking that activity shall constitute a violation of this permit and Part IV, Chapter 373, F.S.
2. This permit or a copy thereof, complete with all conditions, attachments, exhibits, and modifications shall be kept at the work site of the permitted activity. The complete permit shall be available for review at the work site upon request by District staff. The permittee shall require the contractor to review the complete permit prior to commencement of the activity authorized by this permit.
3. Activities approved by this permit shall be conducted in a manner which does not cause violations of State water quality standards. The permittee shall implement best management practices for erosion and pollution control to prevent violation of State water quality standards. Temporary erosion control shall be implemented prior to and during construction, and permanent control measures shall be completed within 7 days of any construction activity. Turbidity barriers shall be installed and maintained at all locations where the possibility of transferring suspended solids into the receiving waterbody exists due to the permitted work. Turbidity barriers shall remain in place at all locations until construction is completed and soils are stabilized and vegetation has been established. All practices shall be in accordance with the guidelines and specifications described in Chapter 6 of the Florida Land Development Manual; A Guide to Sound Land and Water Management (Department of Environmental Regulation, 1988), incorporated by reference in Rule 40E-4.091, F.A.C. unless a project-specific erosion and sediment control plan is approved as part of the permit. Thereafter the permittee shall be responsible for the removal of the barriers. The permittee shall correct any erosion or shoaling that causes adverse impacts to the water resources.
4. The permittee shall notify the District of the anticipated construction start date within 30 days of the date that this permit is issued. At least 48 hours prior to commencement of activity authorized by this permit, the permittee shall submit to the District an Environmental Resource Permit Construction Commencement Notice Form Number 0960 indicating the actual start date and the expected construction completion date.
5. When the duration of construction will exceed one year, the permittee shall submit construction status reports to the District on an annual basis utilizing an annual status report form. Status report forms shall be submitted the following June of each year.
6. Within 30 days after completion of construction of the permitted activity, the permittee shall submit a written statement of completion and certification by a professional engineer or other individual authorized by law, utilizing the supplied Environmental Resource/Surface Water Management Permit Construction Completion/Certification Form Number 0881A, or Environmental Resource/Surface Water Management Permit Construction Completion Certification - For Projects Permitted prior to October 3, 1995 Form No. 0881B, incorporated by reference in Rule 40E-1.659, F.A.C. The statement of completion and certification shall be based on onsite observation of construction or review of as-built drawings for the purpose of determining if the work was completed in compliance with permitted plans and specifications. This submittal shall serve to notify the District that the system is ready for inspection. Additionally, if deviation from the approved drawings are discovered during the certification process, the certification must be accompanied by a copy of the approved permit drawings with deviations noted. Both the original and revised specifications must be clearly shown. The plans must be clearly labeled as "as-built" or "record" drawings. All surveyed dimensions and elevations shall be certified by a registered surveyor.
7. The operation phase of this permit shall not become effective: until the permittee has complied with the requirements of condition (6) above, and submitted a request for conversion of Environmental Resource Permit from Construction Phase to Operation Phase, Form No. 0920; the District determines the system to be in compliance with the permitted plans and specifications; and the entity

GENERAL CONDITIONS

approved by the District in accordance with Sections 9.0 and 10.0 of the Basis of Review for Environmental Resource Permit Applications within the South Florida Water Management District, accepts responsibility for operation and maintenance of the system. The permit shall not be transferred to such approved operation and maintenance entity until the operation phase of the permit becomes effective. Following inspection and approval of the permitted system by the District, the permittee shall initiate transfer of the permit to the approved responsible operating entity if different from the permittee. Until the permit is transferred pursuant to Section 40E-1.6107, F.A.C., the permittee shall be liable for compliance with the terms of the permit.

8. Each phase or independent portion of the permitted system must be completed in accordance with the permitted plans and permit conditions prior to the initiation of the permitted use of site infrastructure located within the area served by that portion or phase of the system. Each phase or independent portion of the system must be completed in accordance with the permitted plans and permit conditions prior to transfer of responsibility for operation and maintenance of the phase or portion of the system to a local government or other responsible entity.
9. For those systems that will be operated or maintained by an entity that will require an easement or deed restriction in order to enable that entity to operate or maintain the system in conformance with this permit, such easement or deed restriction must be recorded in the public records and submitted to the District along with any other final operation and maintenance documents required by Sections 9.0 and 10.0 of the Basis of Review for Environmental Resource Permit applications within the South Florida Water Management District, prior to lot or units sales or prior to the completion of the system, whichever comes first. Other documents concerning the establishment and authority of the operating entity must be filed with the Secretary of State, county or municipal entities. Final operation and maintenance documents must be received by the District when maintenance and operation of the system is accepted by the local government entity. Failure to submit the appropriate final documents will result in the permittee remaining liable for carrying out maintenance and operation of the permitted system and any other permit conditions.
10. Should any other regulatory agency require changes to the permitted system, the permittee shall notify the District in writing of the changes prior to implementation so that a determination can be made whether a permit modification is required.
11. This permit does not eliminate the necessity to obtain any required federal, state, local and special district authorizations prior to the start of any activity approved by this permit. This permit does not convey to the permittee or create in the permittee any property right, or any interest in real property, nor does it authorize any entrance upon or activities on property which is not owned or controlled by the permittee, or convey any rights or privileges other than those specified in the permit and Chapter 40E-4 or Chapter 40E-40, F.A.C..
12. The permittee is hereby advised that Section 253.77, F.S. states that a person may not commence any excavation, construction, or other activity involving the use of sovereign or other lands of the State, the title to which is vested in the Board of Trustees of the Internal Improvement Trust Fund without obtaining the required lease, license, easement, or other form of consent authorizing the proposed use. Therefore, the permittee is responsible for obtaining any necessary authorizations from the Board of Trustees prior to commencing activity on sovereignty lands or other state-owned lands.
13. The permittee must obtain a Water Use permit prior to construction dewatering, unless the work qualifies for a general permit pursuant to Subsection 40E-20.302(3), F.A.C., also known as the "No Notice" Rule.
14. The permittee shall hold and save the District harmless from any and all damages, claims, or liabilities which may arise by reason of the construction, alteration, operation, maintenance, removal,

GENERAL CONDITIONS

abandonment or use of any system authorized by the permit.

15. Any delineation of the extent of a wetland or other surface water submitted as part of the permit application, including plans or other supporting documentation, shall not be considered binding, unless a specific condition of this permit or a formal determination under Section 373.421(2), F.S., provides otherwise.
16. The permittee shall notify the District in writing within 30 days of any sale, conveyance, or other transfer of ownership or control of a permitted system or the real property on which the permitted system is located. All transfers of ownership or transfers of a permit are subject to the requirements of Rules 40E-1.6105 and 40E-1.6107, F.A.C.. The permittee transferring the permit shall remain liable for corrective actions that may be required as a result of any violations prior to the sale, conveyance or other transfer of the system.
17. Upon reasonable notice to the permittee, District authorized staff with proper identification shall have permission to enter, inspect, sample and test the system to insure conformity with the plans and specifications approved by the permit.
18. If historical or archaeological artifacts are discovered at any time on the project site, the permittee shall immediately notify the appropriate District service center.
19. The permittee shall immediately notify the District in writing of any previously submitted information that is later discovered to be inaccurate.

SPECIAL CONDITIONS

1. The conceptual phase of this permit shall expire on May 4, 2012.
2. Northern Palm Beach County Improvement District (NPBCID) will operate and maintain the primary and secondary surface water management system, unless the Property Owners Association (POA) contracts with NPBCID for the POA to maintain the surface water management system and such other NPBCID facilities.

A master POA will be responsible for the 7.50 acre on-site wetland enhancement and 1.72 acres buffer areas (a total of 9.22 acres) in accordance with specific language in the draft POA Declaration of Covenants, Conditions, and Restrictions document included as Exhibit 3.4.

Palm Beach County is the responsible entity for the perpetual maintenance and management of the 193.92 acre off-site wetland mitigation area at the Pine Glades Natural Area as part of the County's overall Pine Glades Natural Area Management Plan.

3. Discharge Facilities:

Basin: A1

1-3.33' W X 2.15' H RECTANGULAR ORIFICE weir with crest at elev. 15.5' NGVD 29.
1-1.58' W X 1.58' H TRIANGULAR ORIFICE with invert at elev. 13' NGVD 29.
1-4.5' W X 3' L drop inlet with crest at elev. 17.65' NGVD 29.

Receiving body : Unit 2 Master System
Control elev : 13 feet NGVD 29.

Basin: B1-W

1-2.5' W X 2.2' H RECTANGULAR NOTCH weir with crest at elev. 15.5' NGVD 29.
1-1.33' W X 1.33' H TRIANGULAR ORIFICE with invert at elev. 13.5' NGVD 29.
1-4.5' W X 3' L drop inlet with crest at elev. 17.7' NGVD 29.

Receiving body : Wetland W1
Control elev : 13.5 feet NGVD 29.

Basin: B1-E

1-3.17' W X 1.75' H RECTANGULAR NOTCH weir with crest at elev. 15.5' NGVD 29.
1-1.83' W X 1.83' H TRIANGULAR ORIFICE with invert at elev. 13' NGVD 29.
1-4.5' W X 3' L drop inlet with crest at elev. 17.25' NGVD 29.

Receiving body : Unit 2 Master System
Control elev : 13 feet NGVD 29.

4. The permittee shall be responsible for the correction of any erosion, shoaling or water quality problems that result from the construction or operation of the surface water management system.
5. Measures shall be taken during construction to insure that sedimentation and/or turbidity violations do not occur in the receiving water.
6. The District reserves the right to require that additional water quality treatment methods be incorporated into the drainage system if such measures are shown to be necessary.
7. Lake side slopes shall be no steeper than 4:1 (horizontal:vertical) to a depth of two feet below the control elevation. Side slopes shall be nurtured or planted from 2 feet below to 1 foot above control

SPECIAL CONDITIONS

elevation to insure vegetative growth, unless shown on the plans.

8. Facilities other than those stated herein shall not be constructed without an approved modification of this permit.
9. A stable, permanent and accessible elevation reference shall be established on or within one hundred (100) feet of all permitted discharge structures no later than the submission of the certification report. The location of the elevation reference must be noted on or with the certification report.
10. The permittee shall provide routine maintenance of all of the components of the surface water management system in order to remove all trapped sediments/debris. All materials shall be properly disposed of as required by law. Failure to properly maintain the system may result in adverse flooding conditions.
11. This permit is issued based on the applicant's submitted information which reasonably demonstrates that adverse water resource related impacts will not be caused by the completed permit activity. Should any adverse impacts caused by the completed surface water management system occur, the District will require the permittee to provide appropriate mitigation to the District or other impacted party. The District will require the permittee to modify the surface water management system, if necessary, to eliminate the cause of the adverse impacts.
12. The permittee acknowledges that, pursuant to Rule 40E-4.101(2), F.A.C., a notice of Environmental Resource or Surface Water Management Permit may be recorded in the county public records. Pursuant to the specific language of the rule, this notice shall not be considered an encumbrance upon the property.
13. If prehistoric or historic artifacts, such as pottery or ceramics, stone tools or metal implements, dugout canoes, or any other physical remains that could be associated with Native American cultures, or early colonial or American settlement are encountered at any time within the project site area, the permitted project should cease all activities involving subsurface disturbance in the immediate vicinity of such discoveries. The permittee, or other designee, should contact the Florida Department of State, Division of Historical Resources, Review and Compliance Section at (850) 245-6333 or (800) 847-7278, as well as the appropriate permitting agency office. Project activities should not resume without verbal and/or written authorization from the Division of Historical Resources. In the event that unmarked human remains are encountered during permitted activities, all work shall stop immediately and the proper authorities notified in accordance with Section 872.05, Florida Statutes.
14. Minimum building floor elevation: BASIN: A1 - 18.50 feet NGVD 29.
BASIN: B1-W - 18.80 feet NGVD 29.
BASIN: B1-E - 18.40 feet NGVD 29.
15. Minimum road crown elevation: Basin: A1 - 16.40 feet NGVD 29.
Basin: B1-W - 16.70 feet NGVD 29.
Basin: B1-E - 16.20 feet NGVD 29.
16. Minimum parking lot elevation: Basin: A1 - 16.40 feet NGVD 29.
Basin: B1-W - 16.70 feet NGVD 29.
Basin: B1-E - 16.20 feet NGVD 29.
17. Commercial or industrial zoned projects shall provide at least one half inch of dry detention or retention pretreatment as part of the required retention/detention, unless reasonable assurances are provided that hazardous materials will not enter the project's surface water management system. Such assurances may include deed restrictions on property planned for resale, type of occupancy, recorded lease agreements, local government restrictive codes, ordinances, licenses, and engineered containment systems designed in accordance with the District's Basis of Review Section 5.2.2(a). Pre-treatment requirements shall be determined on a case by case basis for the commercial areas at the time of application for construction authorization based on their proposed uses.

SPECIAL CONDITIONS

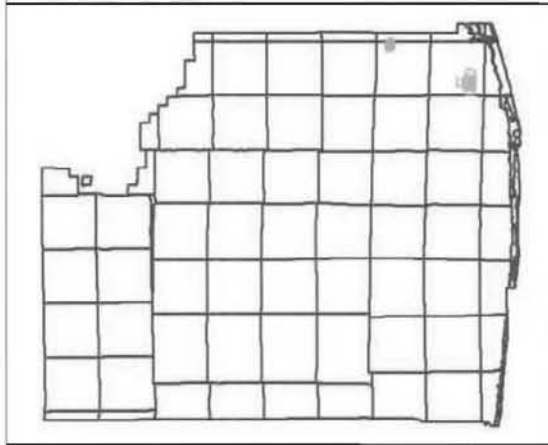
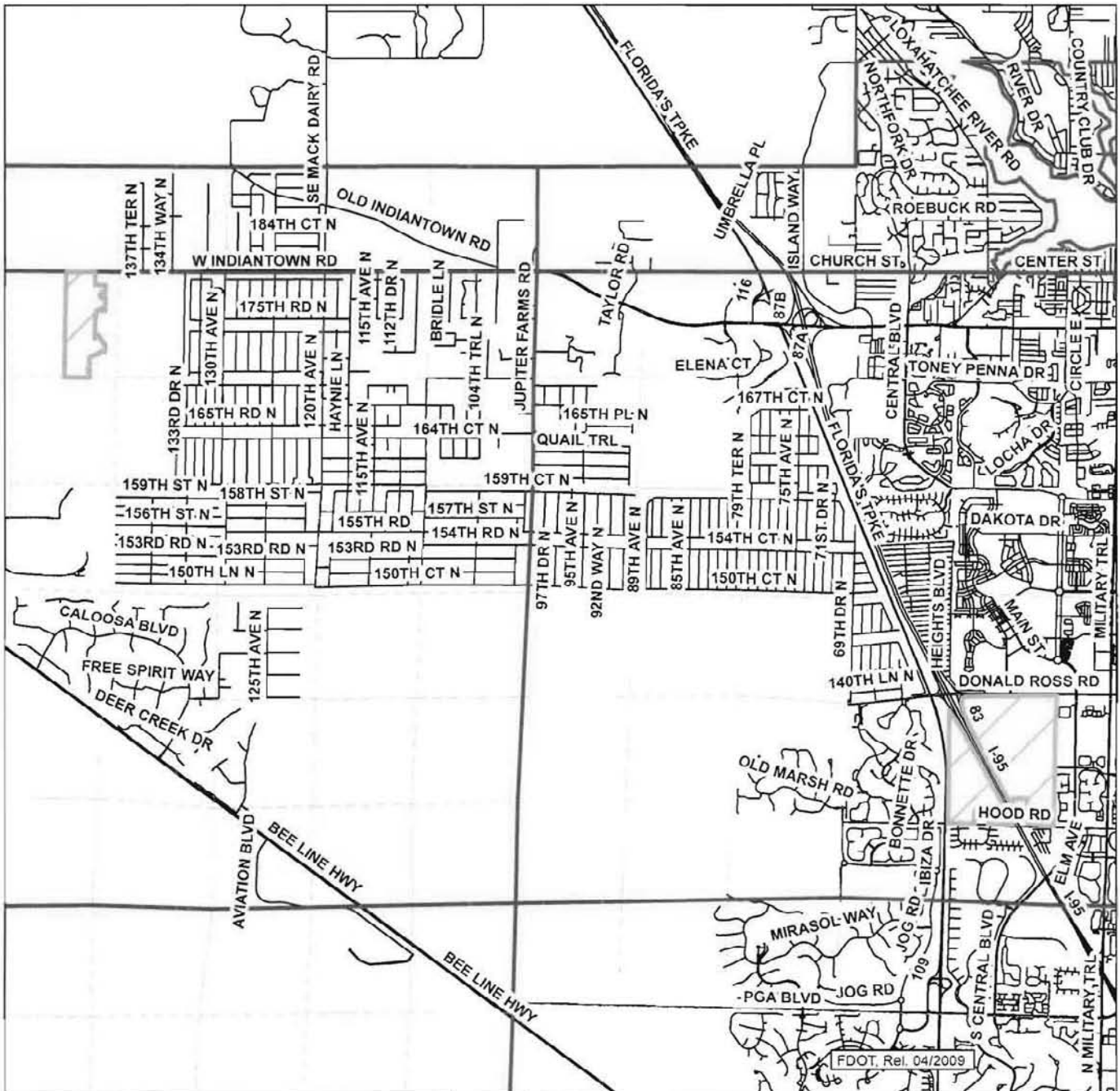
18. If future applications for project construction and operation include modifications to the conceptual site plan authorized under this conceptual authorization which may adversely impact Briger Site 8PB13953, the permittees will coordinate with the State of Florida Department of Historical Resources.
19. At the time of application for construction approval, the permittee shall submit a copy of the draft conservation easement which dedicates the 9.22 acre on-site wetland enhancement and upland buffer areas as conservation and common areas in accordance with Exhibit 3.3.

The recorded conservation easement shall be submitted to the District within a designated timeframe identified in a future permit for construction and operation authorization.

20. At the time of application for construction, the permittee shall provide information that adequately addresses the financial assurance requirements described in Section 4.3 of the Basis of Review for Environmental Resource Permit applications for the 9.22 acre on-site wetland enhancement and buffer areas and the 193.92 acre off-site mitigation at the Pine Glades Natural Area.
21. Any future proposed work located within the 9.22 acre on-site conservation easement area shall require a modification to this permit and will be subject to evaluation of wetland impacts and potential mitigation requirements in accordance with the environmental criteria in effect at the time of the application for any such proposed work.
22. Prior to any future construction, the permittee shall apply for and receive a permit modification. As part of the permit application, the applicant for that phase shall provide documentation verifying that the proposed construction is consistent with the design of the master surface water management system, including the land use and site grading assumptions.
23. All surface water management and environmental conditions and exhibits of permit number 50-00610-S included in the previous permit for adjacent developments are still in effect and hereby incorporated within this permit modification by reference unless specifically revised in this modification.
24. At the time of application for construction approval, the permittee shall stake and rope the on-site 7.50 acre wetlands and associated 1.72 acre upland buffer zones, which are proposed to be enhanced and preserved under a conservation easement. The staking and roping shall be subject to the approval of the District Environmental Resource Compliance staff. The permittee shall modify the staking and roping if the District staff determines it does not accurately reflect the limits of the wetlands and/or upland buffers. Staking and roping shall remain in place until all adjacent construction activities are complete.
25. Upon submittal of an application for construction, the permittee shall submit a work schedule subject to District staff review and approval, specifying completion dates for each mitigation, monitoring and maintenance task for both the 9.22 acre on-site wetland mitigation area and the 193.92 acre off-site wetland mitigation area at the Pine Glades Natural Area.
26. The permittee shall perform the 193.92 acre off-site wetland mitigation at the Pine Glades Natural Area prior to or concurrently with any future application for project construction and operation authorization.
27. For future applications for project construction and operation, the permittees shall obtain Water Use Permits for any proposed irrigation withdrawals or construction dewatering activities, unless the work is exempt pursuant to Chapter 40E-2.051 F.A.C.
28. Prior to commencement of construction and in accordance with Exhibit 3.2, page 8, and the work schedule in Exhibit 5, the permittee shall submit documentation from the Florida Department of Environmental Protection that 13.70 freshwater herbaceous credits have been deducted from the ledger for the Loxahatchee Mitigation Bank.

SPECIAL CONDITIONS

29. The permittee shall adhere to the provisions in Exhibit 6, Standard Protection Measures for the Eastern Indigo Snake.
30. No later than September 1, 2010, the permittee shall install a continuous data logger within the area designated as W2 on Exhibit 2 (page 2 of 4) to automatically record surface water and ground water levels within the wetland. The well for the data logger shall be installed to a depth adequate to ensure that the well does not go dry during the dry season. Data shall be collected and submitted at the time of application for the first construction phase of the development as well as in subsequent required monitoring reports.
31. At the time of application for construction, the permittee shall submit a Hazardous Waste Management Plan. In addition, the permittee shall obtain any necessary permits from the Florida Department of Environmental Protection for treating, storing, or disposing of hazardous waste.



PALM BEACH COUNTY, FLORIDA



Legend

Application

Map Date: 5/5/2010

Application Number: 090427-7

Permit Number: 50-00610-S-24

Project Name: SCRIPPS FLORIDA PHASE III / BRIGER

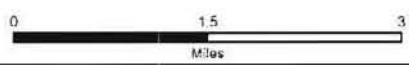
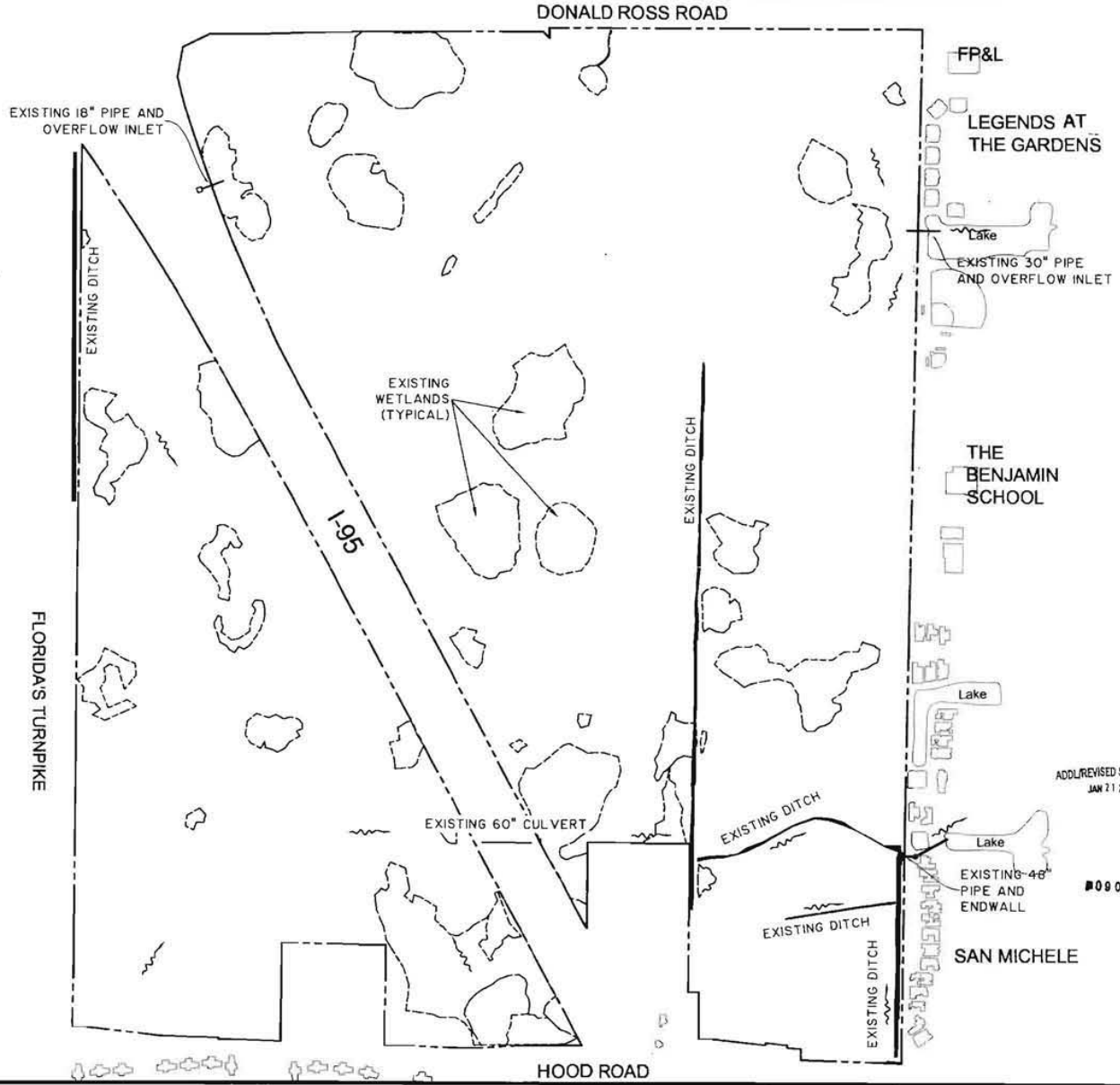
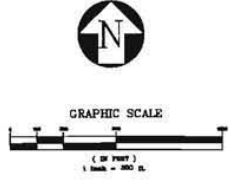


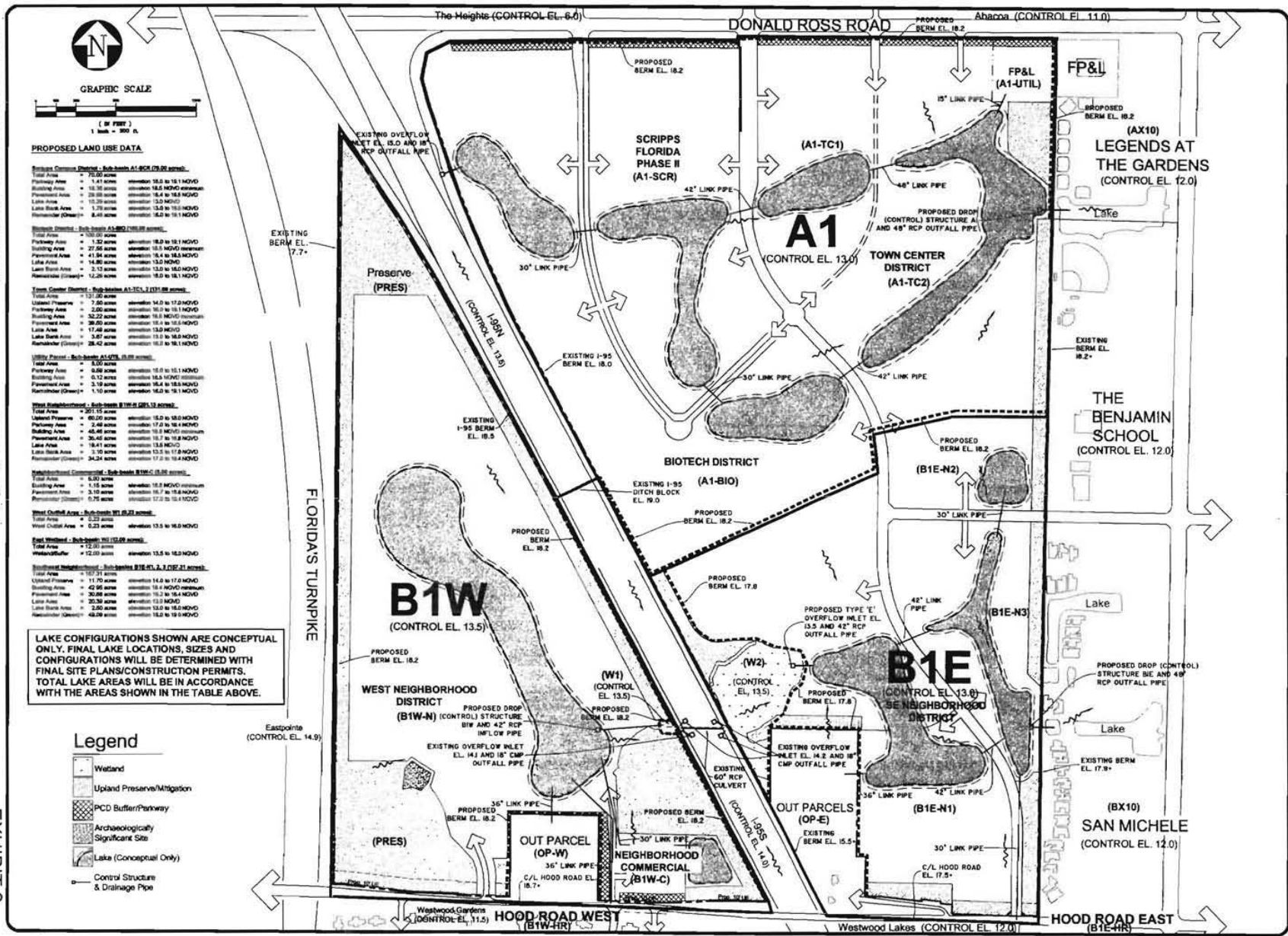
Exhibit : 1.1



ADD/REVISED SUBMITTAL
JAN 21 2010

090427 .7

MICHAEL R. SCHORAH & ASSOCIATES, INC. ENGINEERS • DEVELOPMENT CONSULTANTS • PLANNERS 1450 FOREST HILL BLVD. WEST PALM BEACH, FLORIDA 33409	
PROJECT: SCRIPPS FLORIDA PHASE II/BRIGER DRI	DESCRIPTION: EXISTING DRAINAGE
DRAWN BY: DATE:	CHECKED BY: DATE:
SCALE: 1" = 300'	DATE:
JOB NO. 1345	SHEET NO. 1
OF 4	



PROPOSED LAND USE DATA

Biotech District - Sub-areas A1-TC1, A1-TC2 (79.00 acres)

Total Area	= 79.00 acres
Upland Preserve	= 1.41 acres
Pathway Area	= 10.20 acres
Building Area	= 28.80 acres
Pavement Area	= 15.20 acres
Lake Area	= 1.30 acres
Wetland (Concept)	= 8.09 acres

Town Center District - Sub-areas A1-TC1, A1-TC2 (101.00 acres)

Total Area	= 101.00 acres
Upland Preserve	= 7.80 acres
Pathway Area	= 22.60 acres
Building Area	= 32.20 acres
Pavement Area	= 30.20 acres
Lake Area	= 17.40 acres
Wetland (Concept)	= 3.90 acres

Utility Parcel - Sub-areas A1-TC1, A1-TC2 (0.00 acres)

Total Area	= 0.00 acres
Pathway Area	= 0.00 acres
Building Area	= 0.12 acres
Pavement Area	= 3.18 acres
Wetland (Concept)	= 1.50 acres

West Neighborhood District - Sub-areas B1E-N1, B1E-N2, B1E-N3 (201.15 acres)

Total Area	= 201.15 acres
Upland Preserve	= 2.40 acres
Pathway Area	= 40.40 acres
Building Area	= 36.40 acres
Pavement Area	= 18.40 acres
Lake Area	= 3.30 acres
Wetland (Concept)	= 24.25 acres

Westwood Commercial District - Sub-areas B1W-C, B1W-E (0.00 acres)

Total Area	= 0.00 acres
Building Area	= 1.18 acres
Pavement Area	= 3.10 acres
Wetland (Concept)	= 0.75 acres

Westwood Residential - Sub-areas B1W-E1, B1W-E2 (0.00 acres)

Total Area	= 0.00 acres
Wetland (Concept)	= 0.23 acres

East Woodland - Sub-areas B1E-N1, B1E-N2 (12.00 acres)

Total Area	= 12.00 acres
Wetland (Concept)	= 12.00 acres

Westwood Sub-neighborhoods - Sub-areas B1E-N1, B1E-N2, B1E-N3 (107.31 acres)

Total Area	= 107.31 acres
Upland Preserve	= 11.70 acres
Pathway Area	= 42.80 acres
Building Area	= 30.80 acres
Pavement Area	= 20.20 acres
Lake Area	= 2.80 acres
Wetland (Concept)	= 42.81 acres

LAKE CONFIGURATIONS SHOWN ARE CONCEPTUAL ONLY. FINAL LAKE LOCATIONS, SIZES AND CONFIGURATIONS WILL BE DETERMINED WITH FINAL SITE PLANS/CONSTRUCTION PERMITS. TOTAL LAKE AREAS WILL BE IN ACCORDANCE WITH THE AREAS SHOWN IN THE TABLE ABOVE.

Legend

- Wetland
- Upland Preserve/Mitigation
- PCD Buffer/Pathway
- Archaeologically Significant Site
- Lake (Conceptual Only)
- Control Structure & Drainage Pipe



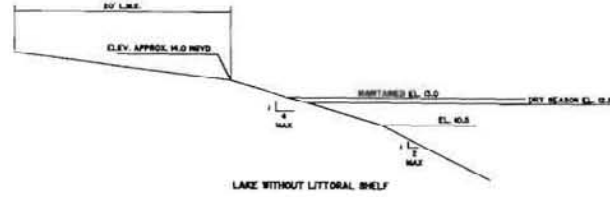
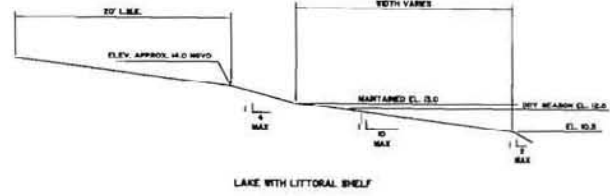
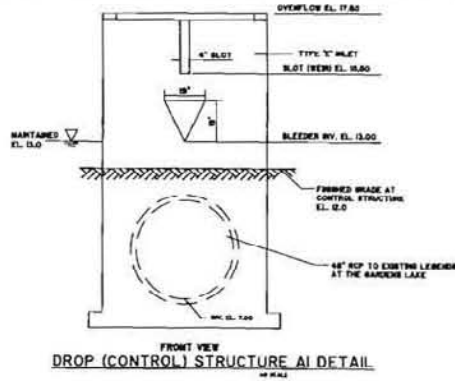
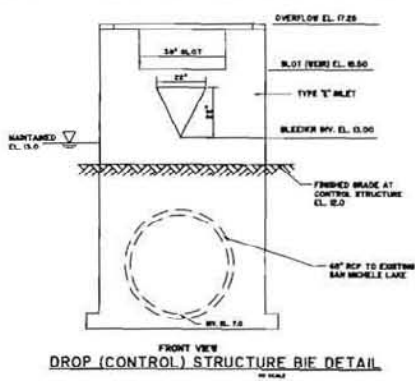
MICHAEL B. SCHORAH & ASSOCIATES, INC.
 ENGINEERS & ARCHITECTS
 1850 FOREST HILL BLVD., SUITE 200
 WEST PALM BEACH, FLORIDA 33409

PROJECT: SCRIPPS FLORIDA PHASE II/BRIGER DRIVE
DESCRIPTION: PROPOSED DRAINAGE

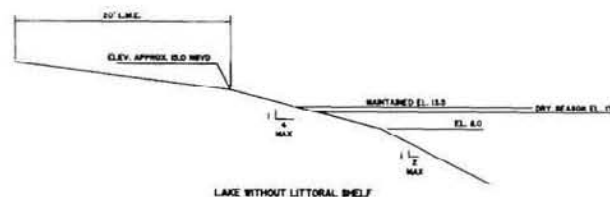
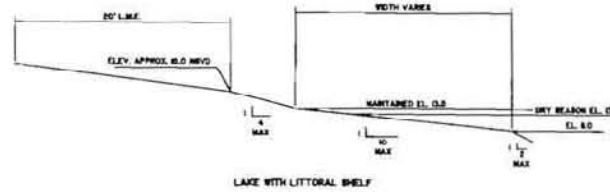
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SCALE:	1" = 300'
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APPROVED BY:	...
DATE:	JAN 11 2010

JOB NO. 1345
SHEET NO. 2
 OF 4

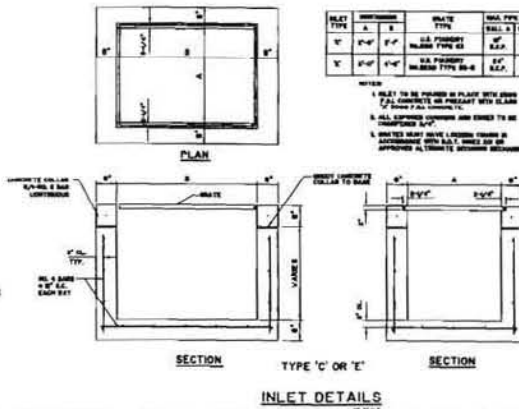
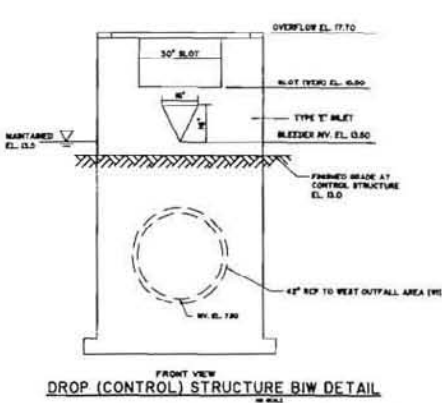
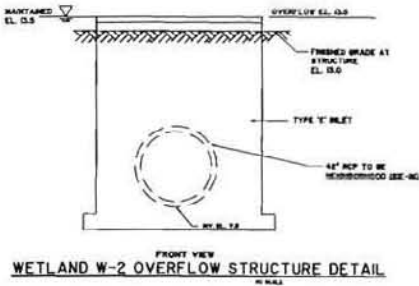
090427-7



SUR BASINS BIE AND AI
TYPICAL CROSS SECTIONS



SUB BASIN B1W
TYPICAL CROSS SECTIONS



SLAB TYPE	THICKNESS	WIDTH	MIN. PIPE SIZE
1	4"	8'	18"
2	4"	8'	24"
3	4"	8'	30"

- 1. MLET TO BE FINISHED AS PLANT WITH GRASS, P.L. CONCRETE OR PRECAST WITH SLAB OF 4" THICKNESS TO
- 2. ALL EXPOSED CURBS AND SIDES TO BE FINISHED 24"
- 3. MLET SHALL HAVE LEAKAGE CHAMBER IN ACCORDANCE WITH S&S SHALL BE APPROVED AT THE SITE BEFORE PROCEEDING

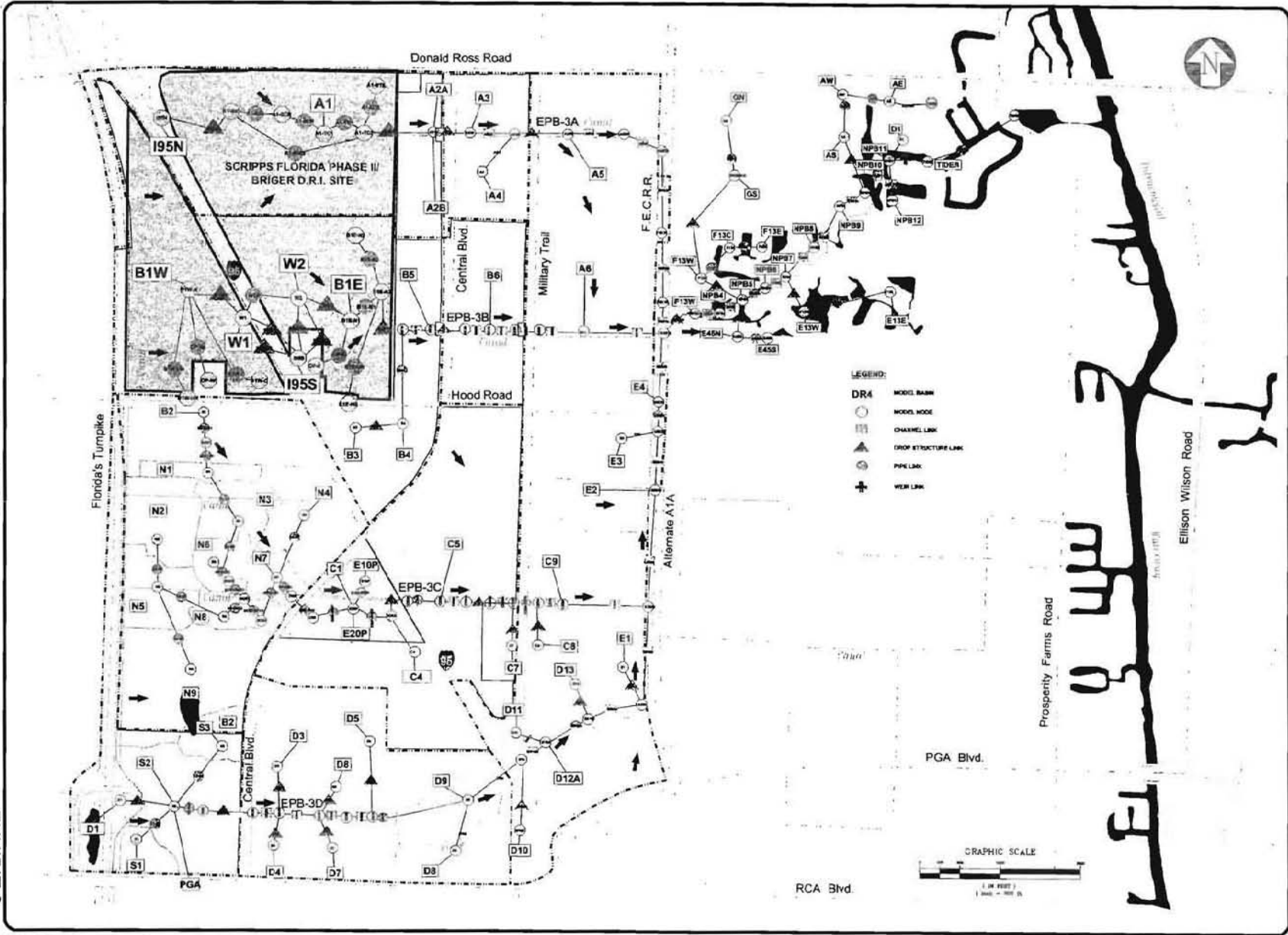


MICHAEL B. SCHORAH & ASSOCIATES, INC.
ENGINEERS & DEVELOPMENT CONSULTANTS & PLANNERS
10100 W. PALM BEACH BLVD., SUITE 200
WEST PALM BEACH, FLORIDA 33409
TEL: (561) 848-8888
FAX: (561) 848-8888

PROJECT: SCRIPPS FLORIDA PHASE II/BRIGER DRI
DESCRIPTION: PROPOSED DRAINAGE DETAILS

SCALE: AS SHOWN
DATE: 11/11/11
DESIGNED BY: [Signature]
CHECKED BY: [Signature]
DATE: 11/11/11

JOB NO. 1345
SHEET NO. 3
OF 4



MICHAEL B. SCHORAH & ASSOCIATES, INC.
 ENGINEERS • DEVELOPMENT CONSULTANTS • PLANNERS
 1400 FOREST HILL BLVD.
 WEST PALM BEACH, FLORIDA 33406

PROJECT:
 SCRIPPS FLORIDA PHASE II/BRIGER DRI
DESCRIPTION:
 NP.B.C.I.D. UNIT No. 2 BASIN MAP

DATE	BY	CHKD	APP'D
11/11/08	JMS	JMS	JMS
PROJECT NO. 090427-7 SHEET NO. 4 OF 7			

PROJECT NO. 090427-7
 SHEET NO. 4
 OF 7



<p>Project Boundary (681.69 acres ±)</p> <p>Site Plan</p> <p>Wetland Impacts (75.71 acres ±)</p> <p>AA, Impact (1.41 acres ±) ✓</p> <p>BB, Impact (0.22 acres ±) ✓</p> <p>C, Impact (2.58 acres ±) ✓</p> <p>CC, Impact (16.59 acres ±) ✓</p> <p>D, Impact (0.73 acres ±) ✓</p> <p>DD, Impact (1.63 acres ±) ✓</p> <p>E, Impact (5.17 acres ±) ✓</p> <p>EE, Impact (0.20 acres ±) ✓</p> <p>F, Impact (3.03 acres ±) ✓</p> <p>FF, Impact (0.97 acres ±) ✓</p> <p>G, Impact (5.63 acres ±) ✓</p> <p>GG, Impact (2.90 acres ±)</p> <p>H, Impact (0.61 acres ±)</p> <p>HH, Impact (2.98 acres ±)</p> <p>I, Impact (3.56 acres ±)</p> <p>II, Impact (0.10 acres ±)</p> <p>J, Impact (3.23 acres ±)</p> <p>JJ, Impact (0.32 acres ±)</p> <p>K, Impact (1.04 acres ±)</p> <p>L, Impact (0.57 acres ±)</p> <p>LL, Impact (1.28 acres ±)</p> <p>M, Impact (5.90 acres ±)</p> <p>MM, Impact (0.79 acres ±)</p> <p>N, Impact (0.25 acres ±)</p> <p>O, Impact (2.78 acres ±)</p> <p>OO, Impact (0.08 acres ±)</p> <p>P, Impact (2.21 acres ±)</p> <p>Q, Impact (2.02 acres ±)</p> <p>R, Impact (1.21 acres ±)</p> <p>S, Impact (5.18 acres ±)</p> <p>X, Impact (0.13 acres ±)</p> <p>Y, Impact (0.10 acres ±)</p> <p>Z, Impact (0.13 acres ±)</p>	<p>Ditch Impacts (2.76 acres ±)</p> <p>T, Ditch (0.04 acres ±)</p> <p>U, Ditch (1.41 acres ±)</p> <p>V, Ditch (1.15 acres ±)</p> <p>W, Ditch (0.16 acres ±)</p> <p>Wetlands to Remain (7.50 acres ±)</p> <p>A, Wetland To Remain (7.50 acres ±)</p>
---	---

0 300 600
Feet

Disclaimer: The information depicted on this figure is for informational purposes only, and should be used as a general guide only. It is not intended to constitute a warranty or approval by any regulatory agency.

 ENVIRONMENTAL SERVICES, INC.
1412 Palm Lakes Blvd, Suite 1
Jupiter, Florida 33458
(561) 743-5111
www.environmentalservices.com

Wetland Impact Map
Scripps Florida Phase II/Brigrer DRI
Palm Beach County, Florida

Project: EP07094.00
Date: Jan. 2010
Drawn/Chkd: PG/JRN
Figure: 2

**WETLAND MITIGATION PLAN
SCRIPPS FLORIDA PHASE II/BRIGER DRI
APPLICATION NO. 080417-8
January 2010**

ADDL/REVISED SUBMITTAL

JAN 21 2010

I. WETLANDS

The 681.69-acre site contains 29 wetland areas totaling 83.21 acres and four ditches (surface waters) totaling 2.76 acres. The wetlands were delineated by Environmental Services, Inc., (ESI) in accordance with the state unified methodology and the 1987 Corps of Engineers Wetland Delineation Manual. South Florida Water Management District (SFWMD) and U.S. Army Corps of Engineers (CE) staff met with ESI on site and at SFWMD multiple times from April 2008 through November 2008 to verify and confirm the limits of jurisdictional wetland areas. A Formal Wetland Determination (Permit No. 50-00009-F) was approved in March 2009 by SFWMD (Figure 1).

II. REDUCTION AND ELIMINATION OF IMPACTS

The proposed project consists of land uses related to biotech research, residential, and commercial industries. The project will be focused on the biotechnology and bioscience research industries. The applicant had made considerable efforts to reduce impacts to existing jurisdictional wetlands while maintaining sufficient acreage and configuration of developable land to support the proposed land uses. However, many of the on-site wetlands have been so hydrologically impacted that complete restoration and vertical relocation would be required for them to be sustainable in the long-term. Although restoration of wetlands on the site was considered as an option, the absence of detailed, long-term hydrological studies for this site or region does not allow for reasonable assurance that any proposed wetland restoration or enhancement would be sustainable in the long-term.

Therefore, it was determined that emphasis should be placed on on-site preservation and enhancement of only the most viable and sustainable wetland system on the site. Wetland A was found to support a dominance of native wetland plant species and still exhibits hydrologic characteristics of a functional wetland. The project was specifically designed to reduce impacts to this higher quality wetland located in the southwestern corner of the eastern parcel. A total of 7.50 acres of wetland are proposed to be enhanced and preserved.

Impacts are proposed to 75.71 acres of wetlands and 2.76 acres of surface waters located within the interior of the property, as shown on the Wetland Impact Map, Figure 2. The majority of these wetlands are currently low to moderate quality and exhibit signs of severely altered hydrological conditions and a dominance of exotic species.

III. WETLAND IMPACTS

The proposed project will result in impacts to 75.71 acres of wetlands and 2.76 acres of surface waters. The wetlands will be impacted by the placement of fill material for construction of

roads, biotech research facilities, residential, and commercial development, or by excavation of stormwater retention areas.

Wetlands BB, EE, II, JJ, N, OO, T, X, Y, and Z are less than 0.50 acre in size and, therefore, do not require mitigation for SFWMD.

IV. MITIGATION

To satisfy mitigation requirements of SFWMD and CE, and to assure that no net loss of wetland functions results from the project, the applicant is proposing a mitigation plan that includes the following: On-site preservation of 7.50 acres of Wetland A; restoration of a 194-acre area adjacent to Pine Glades North Mitigation Area (29.61 UMAM functional units); and purchase of 13.7 herbaceous credits at Loxahatchee Mitigation Bank.

ESI has conducted a thorough evaluation of the wetlands on the property and prepared UMAM and WRAP data sheets for all wetlands proposed for impact or preservation. The data sheets are attached as Appendix 1.

A total of 7.50 acres of moderate quality wetlands will be enhanced and preserved on the project site as shown on Figure 2 and on the proposed drainage plans. The wetlands will be enhanced by receiving treated water through the surface water management system and by exotic and nuisance plant removal. Figure 3 depicts specific details of the enhancement and preservation area, including a typical cross section. A total of 1.72 acres of wetland buffers will be preserved and enhanced.

The remaining mitigation required for impacts to wetlands will be accomplished off-site through the restoration of off-site wetlands adjacent to the Pine Glades North Mitigation Area, and the purchase of wetland credits at the Loxahatchee Mitigation Bank. The Pine Glades Mitigation Area and the Loxahatchee Mitigation Bank will provide valuable wetland enhancement and habitat connectivity to other publicly owned lands that is not possible on the impact site.

ESI has completed a Qualitative and Quantitative assessment of these mitigation areas using UMAM and WRAP. Moderate increase in wetland functional value is anticipated as a result of the proposed preservation/enhancement of 7.50 acres of wetlands. Long-term maintenance and monitoring will ensure success of this wetland preserve area.

A small amount of mitigation for four of the wetlands on the site has been previously provided by the Town of Jupiter as a requirement of Water Use Permit No. 50-00010-W. The project UMAM Summary Sheet includes a notation of these mitigation units.

A. On-site Wetland Enhancement and Preservation

1. Preservation. The surface water management system has been designed to provide ~~hydrological enhancement~~^{water} to the wetland that will be preserved on the project site. Wetland A will receive treated stormwater discharge from a surface water management lake on the western parcel as shown on the project plans. Wetland A will discharge back into the surface water management system at control elevation 13.5. Wetland A is currently dominated by native wetland plant species, so only minimal exotic eradication will be necessary. It is anticipated that native plant species would regenerate and fill in any small areas left bare by the exotic removal activities. Carolina willow within Wetland A will be removed or thinned where it is dominant, but in areas with only scattered occurrences of willow that are dominated by native vegetation, it will be left in place. The wetland buffers will also be allowed to regenerate and fill in after exotic removal activities.

2. Maintenance and Monitoring. Maintenance will be conducted in perpetuity to ensure that the preserved Wetland A is free of trash or debris and free of exotic vegetation (as currently defined by the Florida Exotic Pest Plan Council). There should be no cover by exotic species immediately following a maintenance activity and the total coverage of exotic and nuisance plant species should constitute no more than 5 percent of the total preserve area between maintenance activities.

The preserved wetland will be monitored for a period of five years. Locations of the photographic monitoring transect and staff gauge are shown in Figure 3. Monitoring of the wetland area will ensure that no adverse impacts occur to the wetland as a result of surrounding development activities. The native vegetative coverage within portions of the wetland to be enhanced is expected to reach at least 80 percent aerial coverage by the end of the second year monitoring period. Monitoring will occur in compliance with SFWMD wetland monitoring guidelines, and annual reports for five years will be filed with SFWMD to document wetland function success. Upon completion of initial enhancement activities, a Time Zero report will be filed.

B. Pine Glades North Mitigation Area

1. Mitigation. The applicants will provide restoration and enhancement of wetlands over a 193.92-acre area adjacent to the Pine Glades North Mitigation Area. This mitigation area will remain under County ownership and will be managed by the County along with the surrounding lands also in preservation and owned by the County. The mitigation plan consists of ~~extensive~~ exotic removal with re-grading, scrape-down of excess soils to enhance wet prairie/slough areas, and berm/ditch removal. Supplemental planting is not expected to be necessary because the dominance of native plant species found in surrounding areas will

6

modifications by
Joshua D. King, SFWMD, 2/4/10

likely allow for sufficient natural recruitment of native species. However, if monitoring results show that native vegetation coverage is not at least 70 percent two years after construction, then a contingency supplemental planting plan will be implemented. All proposed mitigation activities are shown in detail on attached figures (Appendix 2).

UMAM scoring has been completed for this mitigation area and is also included in Appendix Z.

2. Maintenance and Monitoring. Maintenance and monitoring at this mitigation area will be conducted by the County together with the surrounding lands, which are all included in the Pine Glades Natural Area Management plan. The plan provides for ongoing management and maintenance of the Natural Area, including treatment of exotic/nuisance plant species, feral hog control, and control of unauthorized vehicle and equestrian use.

A Time Zero monitoring and reporting event shall occur immediately upon completion of the above described enhancement and restoration activities. Twice yearly, vegetation transect surveys and photopoint monitorings, as well as migratory and non-migratory wildlife surveys and annual macrofauna surveys shall be conducted for a minimum of five years post-construction. Staff gauge readings shall be recorded on a monthly basis during construction and for the first five years post-construction, site conditions permitting.

3. Success Criteria. Success of the mitigation plan will be measured by native plant recruitment, survivorship of any installed plants, control of exotic and nuisance plant species, water depths at staff gauge locations, wildlife utilization, aquatic macrofauna studies, and photographic logs at fixed stations along fixed transects to include at least one offsite control location. The exotic removal/natural recruitment/supplemental planting or seeding portion of the project shall be deemed successful when the previously cleared areas attain an 80 percent or greater cover of desirable wetland vegetation, and when exotic and nuisance plant species constitute less than five percent coverage in any given area. The goal for each scheduled maintenance event is to eliminate all exotic and nuisance plants. It is anticipated that between the maintenance events, less than five percent (allowable) exotic and nuisance plant coverage will recruit. The hydrologic restoration project shall be deemed successful when the project site shows hydrologic patterns and water levels which mimic those observed in reference wetlands outside of the mitigation site.

The proposed hydrologic restoration project shall be successful when the following criteria have been met:

- a. Depression marshes shall be inundated or saturated for at least six months of the year for at least three out of five years. Likewise, wet

prairies shall be inundated or saturated for at least four months of the year for at least three out of five years.

b. Water levels shall not exceed 22 feet NVGD for more than 30 consecutive days unless water levels within the reference area wetlands are similarly elevated for an extended period of time.

c. With the exception of deepwater refugia areas, appropriate upland/wetland native vegetation shall cover over 80 percent of all habitats within the mitigation area.

d. Photopoint monitoring stations within areas currently dominated by exotic vegetation shall show a clear change in vegetation communities from one dominated by exotic plants to one dominated by desirable native vegetation.

C. Loxahatchee Mitigation Bank

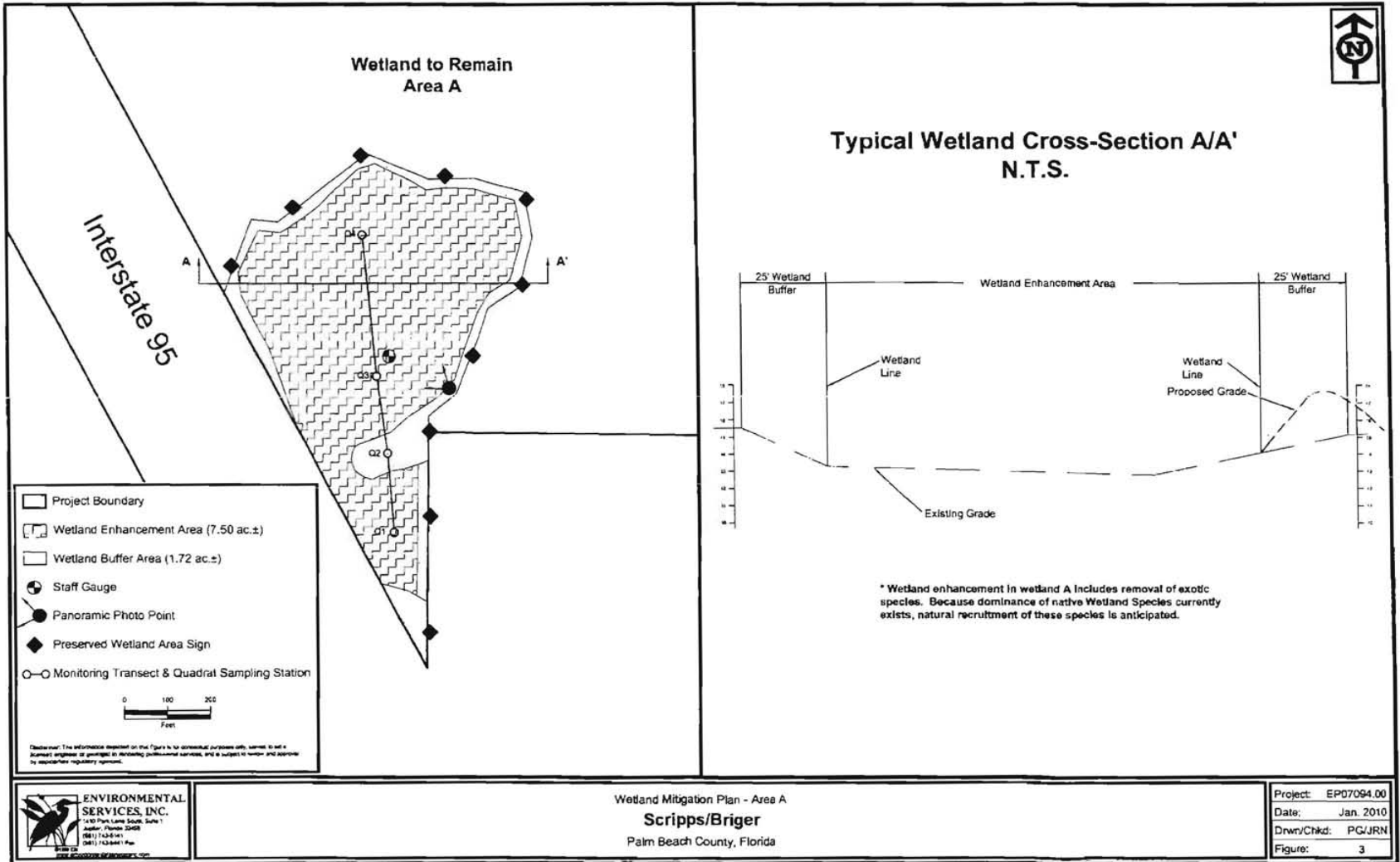
The applicant proposes purchase of 13.7 credits at Loxahatchee Mitigation Bank to compensate for herbaceous wetland impacts. Credit reservation documentation will be provided.

V. MITIGATION COST ESTIMATES

The estimated cost for on-site mitigation activities including exotic species removal, and required maintenance and monitoring is \$81,939. The breakdown of these costs is as follows:

<u>Description</u>	<u>Unit*</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Estimated Cost</u>
Exotic Removal	AC	9.22	\$ 4,500.00	\$ 41,490.00
Wetland Maintenance	EA	14	\$ 1,500.00	\$ 21,000.00
Wetland Monitoring	EA	6	\$ 2,000.00	\$ 12,000.00
			Subtotal	\$ 74,490.00
			10%	\$ 7,449.00
			Total	\$ 81,939.00

*Units
 AC = Acre
 EA = Each



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TYPICAL PRESERVE SIGN

LOCATE AT +/-100' ALONG PRESERVE BOUNDARY



TETRA TECH EC, INC.

March 30, 2010

Howard Lester
44 Cocoanut Row
Palm Beach, FL 33480

Re: Loxahatchee Mitigation Bank
Executed Contract No. 1206
Project: Scripps Florida Phase II/Briger DRI

Dear Mr. Lester:

This letter serves as confirmation that you have executed a contract with Tetra Tech EC, Inc. for the purchase of 13.70 freshwater herbaceous wetland credits at the Loxahatchee Mitigation Bank for your project known as Scripps Florida Phase II/Briger DRI, located in Palm Beach County, for your regulatory agencies permit requirements. This confirmation of the reservation of mitigation credits is valid through March 25, 2012, providing all contractual obligations have been met.

You will receive under separate cover your copy of the original executed Contract No. 1206 for Sale of Mitigation Credits and a signed receipt indicating that you have paid to Tetra Tech EC, Inc. the contract initial deposit pursuant to the contractual terms.

We appreciate your business. Should you have questions please contact me at your convenience. You can reach me at (772) 781-3414.

Sincerely,

Kristin K. Bennett
Project Development and Management

cc: Ken Tuma, Urban Design Kilday Studios
Mary Lindgren, ESI



www.ttfwi-lmb.com

759 South Federal Highway, Suite 100, Stuart, FL 34994
Tel 772.781.3400 Fax 772.781.3411
www.tteci.com

PINE GLADES OFF-SITE MITIGATION AREA FIGURES

Scripps Florida Offsite Mitigation Area

4



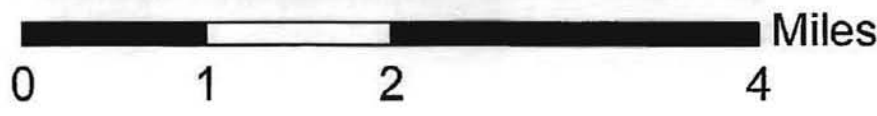
- Legend**
- Major Roads
 - Natural Areas Boundary
 - Scripps Florida Offsite Mitigation Area
 - Pine Glades North Mitigation Area
 - Pine Glades West Mitigation Area
 - Pine Glades South Mitigation Area

Palm Beach County
Department of Environmental
Resources Management

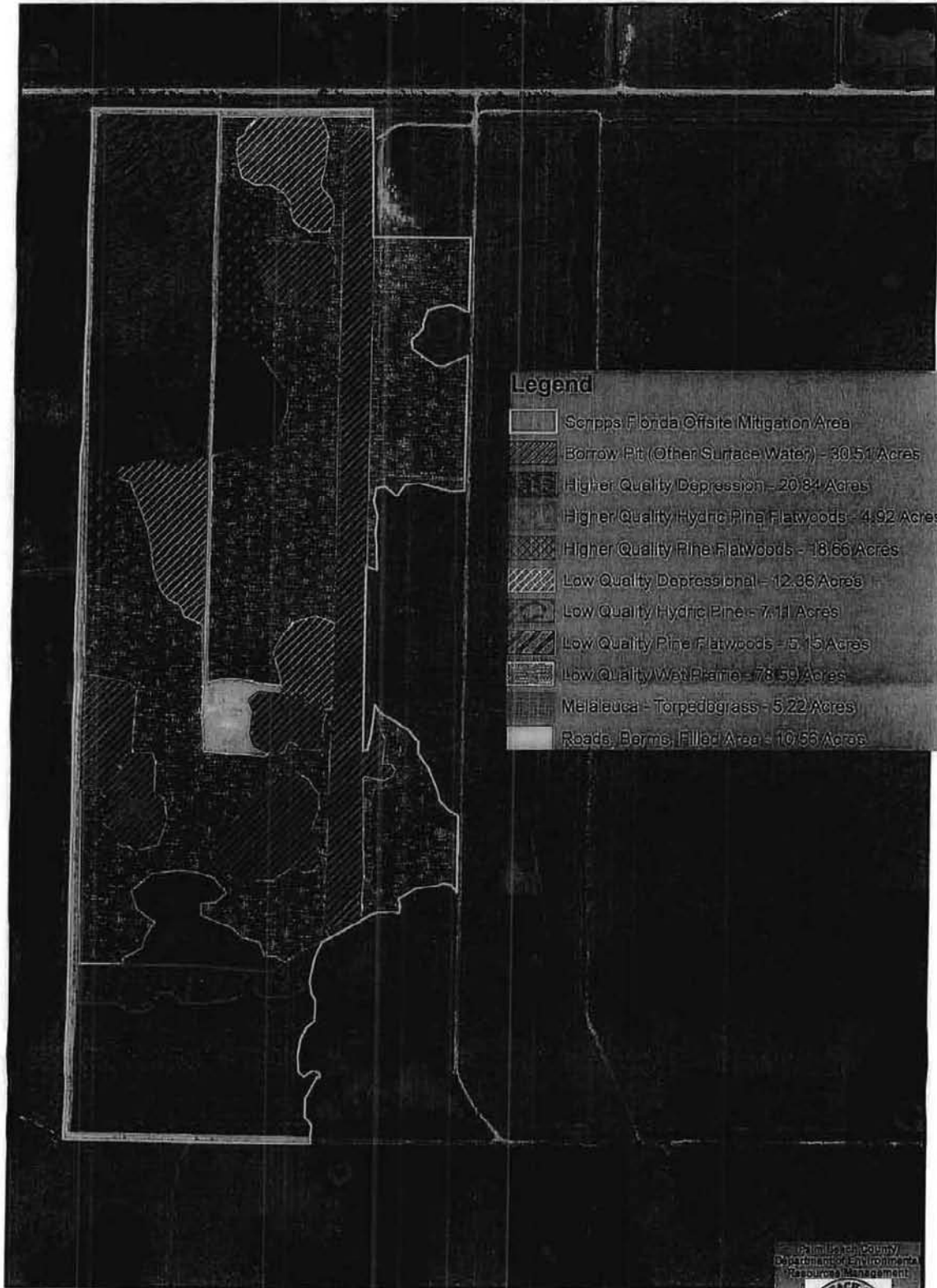


10/27/09 BJS

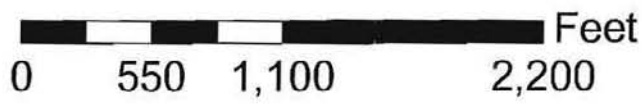
Figure 1



Scripps Florida Offsite Mitigation Area UMAM Polygons (193.92 Acres)



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APPLICATION NO. 090427-7

EXHIBIT 3.2



Page 11 of 20

Scripps Florida Offsite Mitigation Area Restoration Plan View (2005 Aerial)

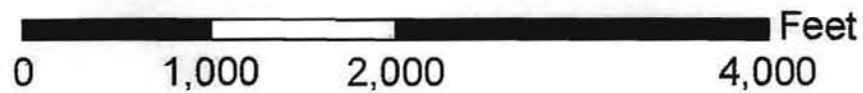
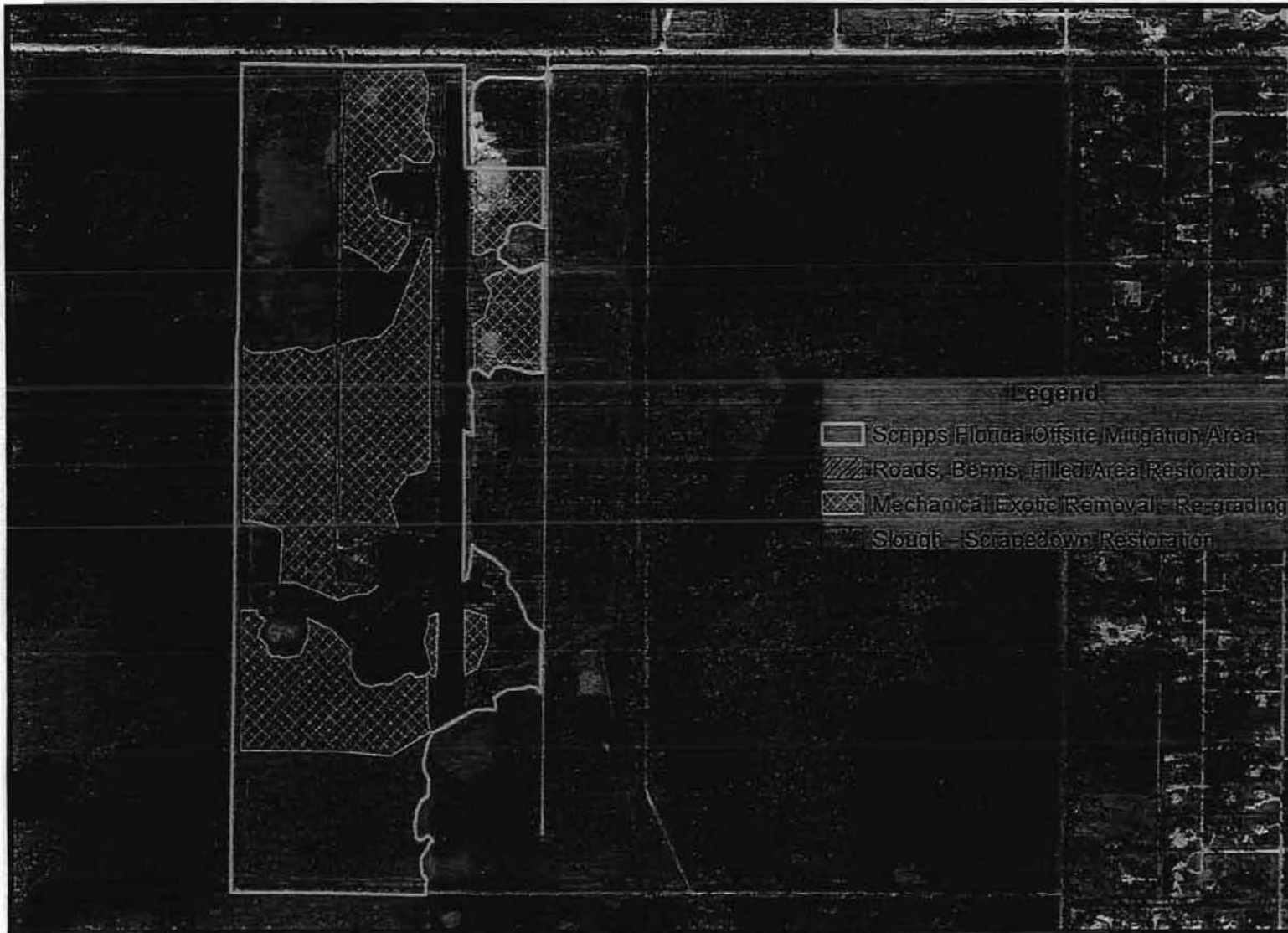
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APPLICATION NO. 090427-7

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EXHIBIT 3.2

Page 12 of 20



Palm Beach County
Department of Environmental
Resources Management

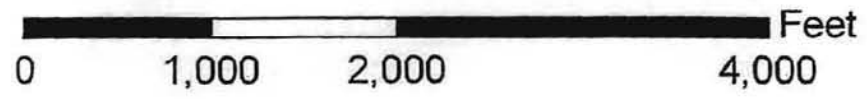


10/27/09 BJS

Figure 4.01

Scripps Florida Offsite Mitigation Area Restoration Plan View (1940 Aerial)

4



Palm Beach County
Department of Environmental
Resources Management



10/27/09 BJS

Figure 4.02

APPLICATION NO. 090427-7

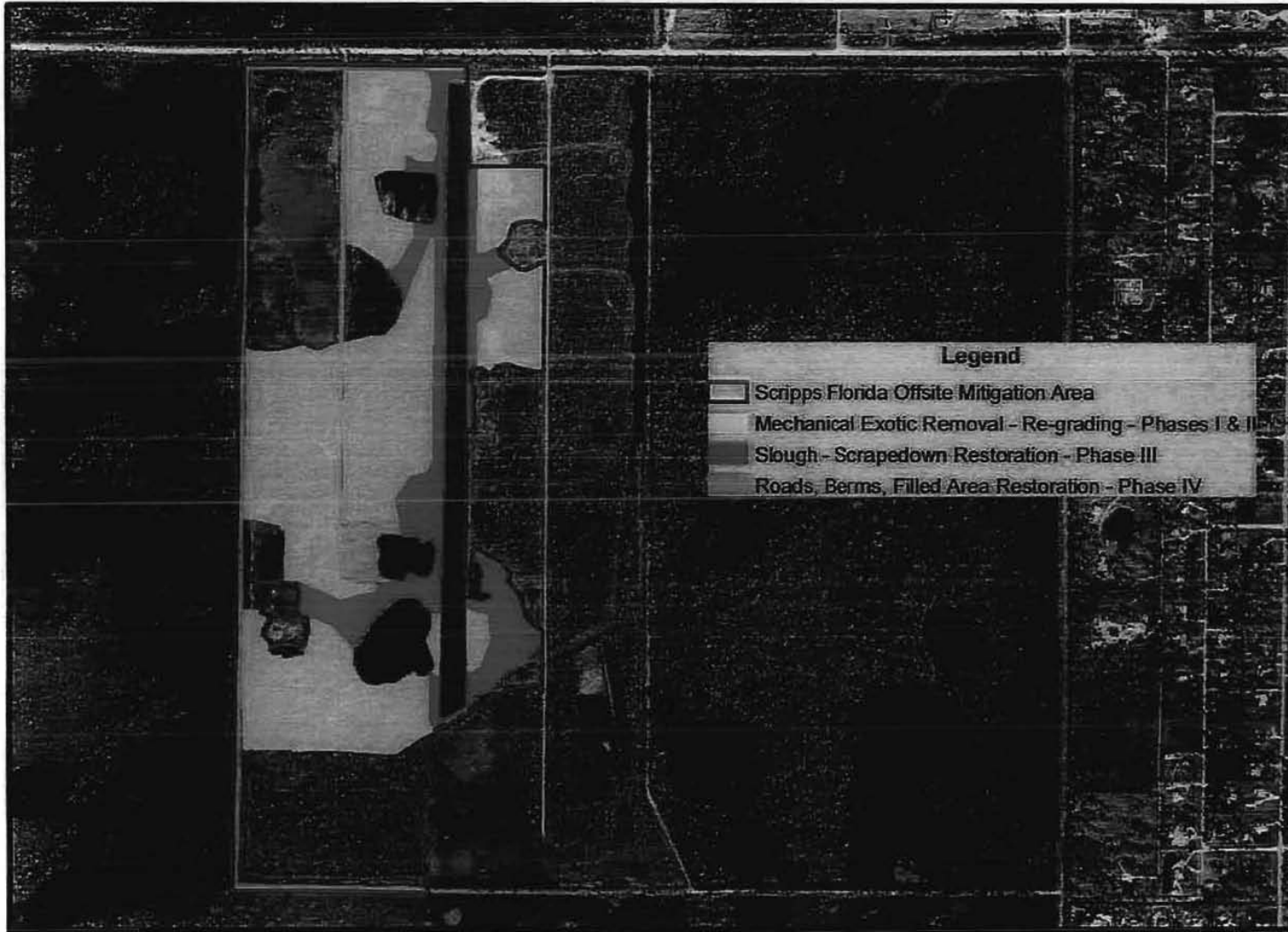
J-82

EXHIBIT 3.2

Page 13 of 20

Scripps Florida Offsite Mitigation Area Phasing Plan View (2005 Aerial)

4

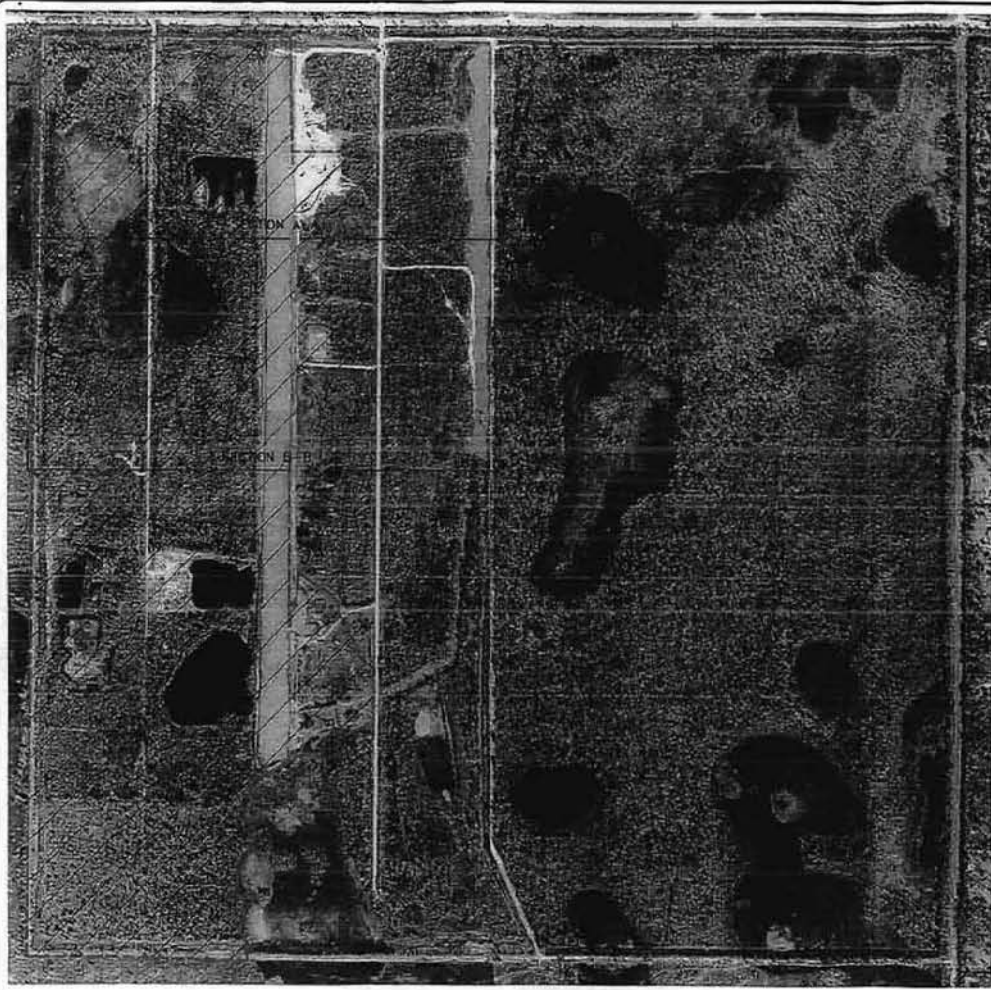


Palm Beach County
Department of Environmental
Resources Management



10/27/09 BJS

Figure 4.03

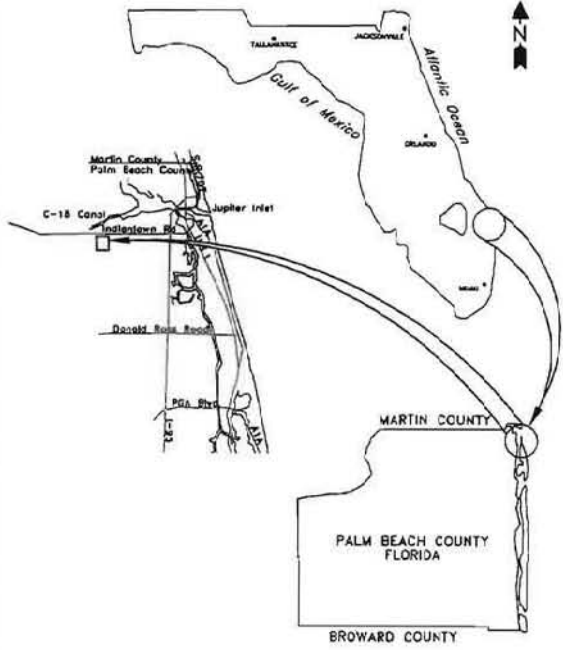


SITE PLAN



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SCRIPPS FLORIDA
OFFSITE MITIGATION AREA



LOCATION MAP

Clara Williams
32096 10/20/09

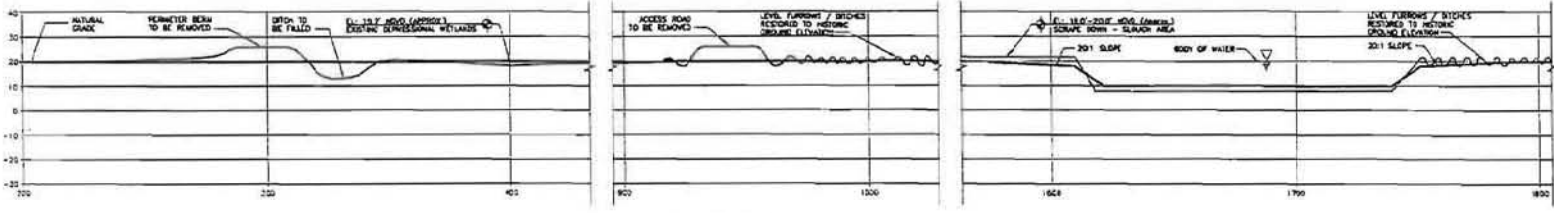
PALM BEACH COUNTY
DEPARTMENT OF
ENVIRONMENTAL RESOURCES MANAGEMENT
2200 NORTH JOG ROAD, 4TH FLOOR
WEST PALM BEACH, FLORIDA 33411
(888) 233-2400

Scale:	AS NOTED
System:	US E.C.T.
Created:	10/20/09
Date:	10/20/09
Plot Date:	

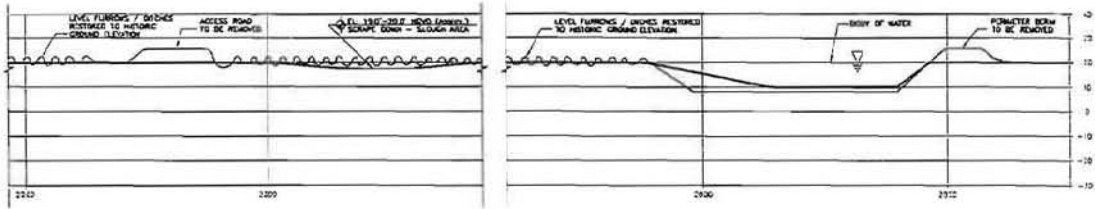
SCALE

Project: PINE GLADES
NATURAL AREA
SITE PLAN and LOCATION MAP

Sheet:	1 of 3
Project No.:	



SECTION A



SECTION A

Walter Williams
320000 10/10/09

D:\The Proj\2009 Projects\090427-7\Draws\PINE GLADES NA - Section Florida\20091030_CROSS SECTION_PINE GLADES NA_01.dwg

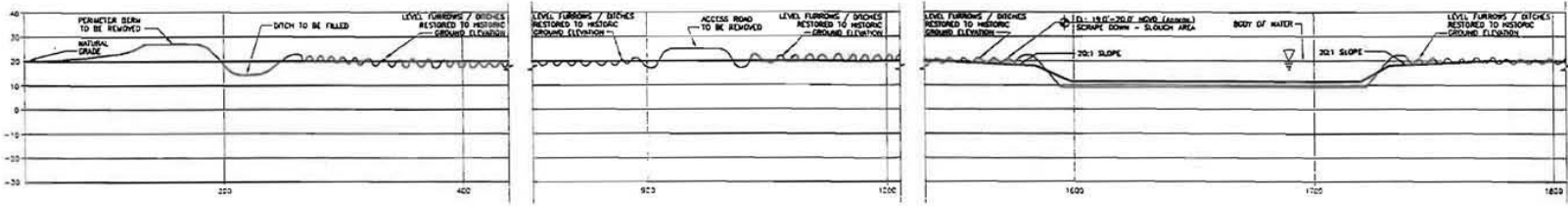
PALM BEACH COUNTY
DEPARTMENT OF
ENVIRONMENTAL RESOURCES MANAGEMENT
3000 WOODHOLM ROAD, 4TH FLOOR
WEST PALM BEACH, FLORIDA 33411
(561) 833-2400

DATE	BY
REVISION	
SCALE	AS NOTED
APPROVED	
DRAWN	MLB
CHECKED	ES
DATE	10/20/09

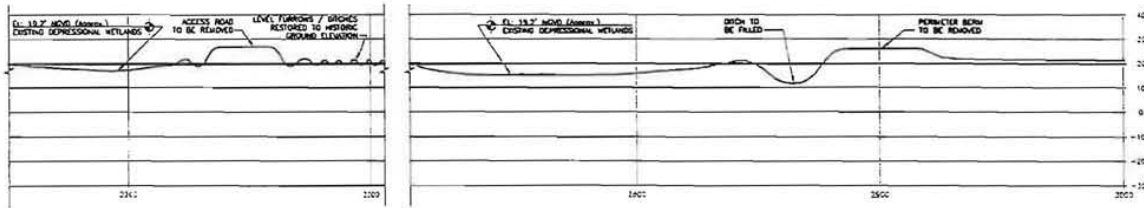
SEAL

Project: PINE GLADES NATURAL AREA
CROSS SECTION A

Sheet:	2 of 3
Project No:	



SECTION B



SECTION B

D:\The P\12009 Projects\Benji Steel\PINE GLADES NA - Scripps Florida\20091030_CROSS SECTION_PINE GLADES NA_01.dwg

Q. White-shaw
 10/30/09

		PALM BEACH COUNTY DEPARTMENT OF ENVIRONMENTAL RESOURCES MANAGEMENT	
		2300 STATE ROAD 1 PALM BEACH, FLORIDA 33411 (561) 233-2400	
Scale: AS NOTED Approval: C1 Drawn: MJB Checked: DS Date: 10/20/2009	Project No. Sheet: 5 of 3	Revision:	SEAL
PINE GLADES NATURAL AREA		CROSS SECTION B	

Scripps Florida Offsite Mitigation Area Transects/Photopoints

4

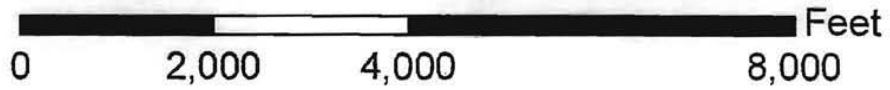


APPLICATION NO. 090427-7

J-87

EXHIBIT 3.2

Page 18 of 20



Palm Beach County
Department of Environmental
Resources Management



10/29/09 EJS

Figure 2

Scripps Florida Offsite Mitigation Area Staff Gauge Locations

4



Palm Beach County
Department of Environment
Resources Management
10/27/09 BJS



Figure 3



Department of Environmental
Resources Management
2500 North Jog Road, 4th Floor
West Palm Beach, FL 33411-2743
(561) 233-2400
FAX: (561) 233-2414
www.pbcgov.com/erm

**Palm Beach County
Board of County
Commissioners**

Jeff Koons, Chairman

Burt Aaronson, Vice Chairman

Karen T. Marcus

Shelley Vana

Steven L. Abrams

Jess R. Santamaría

District 7

County Administrator

Robert Weisman



*"An Equal Opportunity
Affirmative Action Employer"*

Official Electronic Letterhead

RECEIVED

SEP 02 2009

ENVRES REGULAT

August 27, 2009

Barbara Conmy
Section Leader – Environmental Analyst
Natural Resources Management Division
Environmental Resource Regulation Department
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, Florida 33406

Dear Ms. Conmy:

Subject: Pine Glades Mitigation Area

This letter is written to state that mitigation fees associated with the Pine Glades Mitigation Area (permit no. 50-08187-P) are inclusive of all land acquisition costs. Specifically, the mitigation fee of \$86,250 per functional unit for the Scripps-Briger application (no. 090427-7) reflects land acquisition costs, restoration costs, monitoring and reporting as well as consideration for perpetual maintenance. In summary, the mitigation fee represents the full cost to the County within the meaning of Ch. 373.414(1)(b)1.

If you have any questions, please feel free to contact me at (561) 233-2454.

Sincerely,

Robert Robbins, Deputy Director
Environmental Resources Management

c: Mary Lindgren, Environmental Services, Inc.
Shannon LaRocque, Palm Beach County

WHEREAS, this Permit requires that the Grantor preserve, enhance, restore and/or mitigate wetlands and/or uplands under the District's jurisdiction; and

WHEREAS, the Grantor, in consideration of the consent granted by the Permit, is agreeable to granting and securing to the Grantee a perpetual Conservation Easement as defined in Section 704.06, Florida Statutes, over the area described on Exhibit "B" ("Conservation Easement").

NOW, THEREFORE, in consideration of the issuance of the Permit to construct and operate the permitted activity, and as an inducement to Grantee in issuing the Permit, together with other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Grantor hereby grants, creates, and establishes a perpetual Conservation Easement for and in favor of the Grantee upon the property described on Exhibit "B" which shall run with the land and be binding upon the Grantor, and shall remain in full force and effect forever.

The scope, nature, and character of this Conservation Easement shall be as follows:

1. Recitals. The recitals hereinabove set forth are true and correct and are hereby incorporated into and made a part of this Conservation Easement.

2. Purpose. It is the purpose of this Conservation Easement to retain land or water areas in their natural, vegetative, hydrologic, scenic, open, agricultural or wooded condition and to retain such areas as suitable habitat for fish, plants or wildlife. Those wetland and/or upland areas included in this Conservation Easement which are to be enhanced or created pursuant to the Permit shall be retained and maintained in the enhanced or created conditions required by the Permit.

To carry out this purpose, the following rights are conveyed to Grantee by this easement:

a. To enter upon the Property at reasonable times with any necessary equipment or vehicles to enforce the rights herein granted in a manner that will not unreasonably interfere with the use and quiet enjoyment of the Property by Grantor at the time of such entry; and

b. To enjoin any activity on or use of the Property that is inconsistent with this Conservation Easement and to enforce the restoration of such areas or features of the Conservation Easement that may be damaged by any inconsistent activity or use.

3. Prohibited Uses. Except for restoration, creation, enhancement, maintenance and monitoring activities, or surface water management improvements, or other activities described herein that are permitted or required by the Permit, the following activities are prohibited in or on the Conservation Easement:

sfwmd.gov

- a. Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;
- b. Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;
- c. Removal or destruction of trees, shrubs, or other vegetation, except for the removal of exotic or nuisance vegetation in accordance with a District approved maintenance plan;
- d. Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface;
- e. Surface use except for purposes that permit the land or water area to remain in its natural or enhanced condition;
- f. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation including, but not limited to, ditching, diking and fencing;
- g. Acts or uses detrimental to such aforementioned retention of land or water areas;
- h. Acts or uses which are detrimental to the preservation of the structural integrity or physical appearance of sites or properties having historical, archaeological, or cultural significance.

4. Grantor's Reserved Rights. Grantor reserves all rights as owner of the Property, including the right to engage in uses of the Property that are not prohibited herein and which are not inconsistent with any District rule, criteria, permit and the intent and purposes of this Conservation Easement.

5. No Dedication. No right of access by the general public to any portion of the Property is conveyed by this Conservation Easement.

6. Grantee's Liability. Grantee shall not be responsible for any costs or liabilities related to the operation, upkeep or maintenance of the Property.

7. Property Taxes. Grantor shall keep the payment of taxes and assessments on the Easement Parcel current and shall not allow any lien on the Easement Parcel superior to this Easement. In the event Grantor fails to extinguish or obtain a subordination of such lien, in addition to any other remedy, the Grantee may, but shall not be obligated to, elect to pay the lien on behalf of the Grantor and Grantor shall reimburse Grantee for the amount paid by the Grantee, together with Grantee's reasonable attorney's fees and costs, with interest at the maximum rate allowed by law, no later than thirty days after such payment. In the event the Grantor does not so reimburse the Grantee, the debt owed to Grantee shall constitute a lien against the Easement Parcel which shall automatically relate back to the recording date of this

Easement. Grantee may foreclose this lien on the Easement Parcel in the manner provided for mortgages on real property.

8. Enforcement. Enforcement of the terms, provisions and restrictions of this Conservation Easement shall be at the reasonable discretion of Grantee, and any forbearance on behalf of Grantee to exercise its rights hereunder in the event of any breach hereof by Grantor, shall not be deemed or construed to be a waiver of Grantee's rights hereunder.

9. Assignment. Grantee will hold this Conservation Easement exclusively for conservation purposes. Grantee will not assign its rights and obligations under this Conservation Easement except to another organization or entity qualified to hold such interests under the applicable state laws.

10. Severability. If any provision of this Conservation Easement or the application thereof to any person or circumstances is found to be invalid, the remainder of the provisions of this Conservation Easement shall not be affected thereby, as long as the purpose of the Conservation Easement is preserved.

11. Terms and Restrictions. Grantor shall insert the terms and restrictions of this Conservation Easement in any subsequent deed or other legal instrument by which Grantor divests itself of any interest in the Conservation Easement.

12. Written Notice. All notices, consents, approvals or other communications hereunder shall be in writing and shall be deemed properly given if sent by United States certified mail, return receipt requested, addressed to the appropriate party or successor-in-interest.

13. Modifications. This Conservation Easement may be amended, altered, released or revoked only by written agreement between the parties hereto or their heirs, assigns or successors-in-interest, which shall be filed in the public records in Palm Beach County.

TO HAVE AND TO HOLD unto Grantee forever. The covenants, terms, conditions, restrictions and purposes imposed with this Conservation Easement shall be binding upon Grantor, and shall continue as a servitude running in perpetuity with the Property.

Grantor hereby covenants with said Grantee that Grantor is lawfully seized of said Property in fee simple; that the Conservation Easement is free and clear of all encumbrances that are inconsistent with the terms of this Conservation Easement; and all mortgages and liens on the Conservation Easement area, if any, have been subordinated to this Conservation Easement; and that Grantor has good right and lawful authority to convey this Conservation Easement; and that it hereby fully warrants and defends the title to the Conservation Easement hereby conveyed against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, Grantor has hereunto set its authorized hand this 17th day of February, 2010.

Signed, sealed and delivered in the presence of:

Ann Z. Anders
(Witness Signature)

Ann Z. Anders
(Print Witness Signature)

Susan M. Earle
(Witness Signature)

SUSAN M. EARLE
(Print Witness Signature)

Ann Z. Anders
(Witness Signature)

Ann Z. Anders
(Print Witness Signature)

Susan M. Earle
(Witness Signature)

SUSAN M. EARLE
(Print Witness Signature)

Ann Z. Anders
(Witness Signature)

Ann Z. Anders
(Print Witness Signature)

Susan M. Earle
(Witness Signature)

SUSAN M. EARLE
(Print Witness Signature)

THE LESTER FAMILY INVESTMENTS L.P., a Delaware limited partnership

By: PHI Financing Consulting Co., Inc., as General Partner

By: Prescott F. Lester
(Signature)

Prescott F. Lester
(Print Signatory's Name)

Its: President

Richard Thal
HOWARD LESTER, as Attorney-in-Fact for Richard Thal

Robert Thal
HOWARD LESTER, as Attorney-in-Fact for Robert Thal

Ann Z Anders
(Witness Signature)

Ann Z Anders
(Print Witness Signature)

Susan M. Earle
(Witness Signature)

SUSAN M. EARLE
(Print Witness Signature)

Ann Z Anders
(Witness Signature)

Ann Z Anders
(Print Witness Signature)

Susan M. Earle
(Witness Signature)

SUSAN M. EARLE
(Print Witness Signature)

Ann Z Anders
(Witness Signature)

Ann Z Anders
(Print Witness Signature)

Susan M. Earle
(Witness Signature)

SUSAN M. EARLE
(Print Witness Signature)

Peter L. Briger by Howard Lester as Attorney-in-Fact

HOWARD LESTER, as Attorney-in-Fact for
Peter L. Briger

Paul H. Briger by Howard Lester as Attorney-in-Fact

HOWARD LESTER, as Attorney-in-Fact for
Paul H. Briger

THE DAVID MINKIN FLORIDA REALTY
TRUST

By: [Signature]
(Signature)

Howard Lester - Trustee
(Print Signatory's Name)

Its: Trustee

STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 11th day of February, 2010 by Prescott E. Lester, as President of PHI Financing Consulting Co., Inc., the General Partner of THE LESTER FAMILY INVESTMENTS L.P., a Delaware limited partnership, on behalf of the Lester Family Investments L.P. He/she is personally known to me or has produced a driver's license as identification.

[NOTARIAL SEAL]

Notary: Ann Z. Anders
Print Name: Ann Z. Anders
Notary Public, State of Florida
My commission expires: 6/13/2010

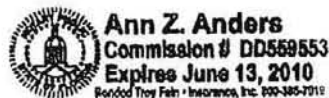


STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 11th day of Feb, 2010 by HOWARD LESTER as Attorney-in-Fact for Richard Thall. He/she is personally known to me or has produced a driver's license as identification.

[NOTARIAL SEAL]

Notary: Ann Z. Anders
Print Name: Ann Z. Anders
Notary Public, State of Florida
My commission expires: 6/13/2010

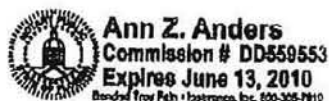


STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 11th day of Feb, 2010 by HOWARD LESTER as Attorney-in-Fact for Robert Thall. He/she is personally known to me or has produced a driver's license as identification.

[NOTARIAL SEAL]

Notary: Ann Z. Anders
Print Name: Ann Z. Anders
Notary Public, State of Florida
My commission expires: 6/13/2010



STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 11th day of Feb, 2010 by HOWARD LESTER as Attorney-in-Fact for Peter L. Briger. He/she [] is personally known to me or [] has produced a driver's license as identification.

[NOTARIAL SEAL]

Notary: Ann Z Anders
Print Name: Ann Z. Anders
Notary Public, State of Florida
My commission expires: 6/13/2010



Ann Z. Anders
Commission # DD559553
Expires June 13, 2010
Bounded Troy Feltz • Insurance, Inc. 800-328-7010

STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 11th day of Feb, 2010 by HOWARD LESTER as Attorney-in-Fact for Paul H. Briger. He/she [] is personally known to me or [] has produced a driver's license as identification.

[NOTARIAL SEAL]

Notary: Ann Z Anders
Print Name: Ann Z Anders
Notary Public, State of Florida
My commission expires: 6/13/2010



Ann Z. Anders
Commission # DD559553
Expires June 13, 2010
Bounded Troy Feltz • Insurance, Inc. 800-328-7010

STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 11th day of Feb, 2010 by Howard Lester, as Trustee of THE DAVID MINKIN FLORIDA REALTY TRUST. He/she [] is personally known to me or [] has produced a driver's license as identification.

[NOTARIAL SEAL]

Notary: Ann Z Anders
Print Name: Ann Z Anders
Notary Public, State of Florida
My commission expires: 6/13/2010



Ann Z. Anders
Commission # DD559553
Expires June 13, 2010
Bounded Troy Feltz • Insurance, Inc. 800-328-7010

LEGAL DESCRIPTION

SKETCH ONLY NOT A BOUNDARY SURVEY

CONSERVATION EASEMENT

A CERTAIN PARCEL OF LAND LYING IN SECTIONS 26 AND 35, TOWNSHIP 41 SOUTH, RANGE 42 EAST, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH ONE QUARTER (1/4) CORNER OF SAID SECTION 35; SAID 1/4 SECTION CORNER HAVING A NORTHING OF 922444.889, AND EASTING OF 942940.560:
THENCE S 00°50'15" W, ALONG THE WEST LINE OF THE NORTHEAST ONE-QUARTER (1/4) OF SAID SECTION 35, A DISTANCE OF 547.02 FEET; THENCE S 89°09'45" E, DEPARTING SAID 1/4 SECTION SECTION LINE, A DISTANCE OF 618.32 FEET TO THE POINT OF BEGINNING, A POINT WHOSE NORTHING IS 921888.89 AND WHOSE EASTING IS 943550.82; THE AFORESAID POINT ALSO LYING ON THE EAST RIGHT OF WAY LINE OF INTERSTATE 95; THENCE CONTINUE N 28-0-9 W, ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 987.54 FEET;
THENCE N 21-1-58 E, A DISTANCE OF 183.11 FEET;
THENCE S 84-27-28 E, A DISTANCE OF 60.89 FEET;
THENCE N 52-37-12 E, A DISTANCE OF 261.72 FEET;
THENCE S 67-25-4 E, A DISTANCE OF 153.92 FEET;
THENCE N 88-43-20 E, A DISTANCE OF 103.87 FEET;
THENCE S 74-48-45 E, A DISTANCE OF 122.18 FEET;
THENCE S 10-13-31 E, A DISTANCE OF 108.22 FEET;
THENCE S 15-49-21 W, A DISTANCE OF 120.65 FEET;
THENCE S 55-46-34 W, A DISTANCE OF 87.37 FEET;
THENCE S 21-12-36 W, A DISTANCE OF 210.57 FEET;
THENCE S 51-7-37 W, A DISTANCE OF 82.08 FEET;
THENCE S 0-49-41 W, A DISTANCE OF 587.57 FEET TO THE POINT OF BEGINNING.

CONTAINING 9.219 ACRES MORE OR LESS

LEGEND

P.O.C.	=	POINT OF COMENCEMENT
P.O.B.	=	POINT OF BEGINNING
P.B.	=	PLAT BOOK
PG.	=	PAGE
R	=	RADIUS
L	=	ARC LENGTH
Δ	=	CENTRAL ANGLE
CB	=	CHORD BEARING
R/W	=	RIGHT-OF-WAY
℄	=	CENTERLINE


SURVEYOR'S NOTES :

- 1.) NO SEARCH OF THE PUBLIC RECORDS WAS MADE BY THIS OFFICE.
- 2.) THE BEARINGS AS SHOWN HEREON ARE BASED ON THE WEST LINE OF THE NORTH EAST 1/4 OF SECTION 35/41/42. ALL BEARINGS ARE RELATIVE THERETO.
- 3.) THIS IS NOT A BOUNDARY SURVEY.

CERTIFICATION:

UNLESS THIS DOCUMENT BEARS THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER, THIS DRAWING, MAP, SKETCH OR PLAT IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.

DATE : 8/4/09
SIGNATURE DATE



 JONATHAN T. GILBERT
 PROFESSIONAL SURVEYOR AND MAPPER
 FLORIDA CERTIFICATE NO. 5604



MICHAEL B. SCHORAH & ASSOCIATES, INC.
 1850 FOREST HILL BLVD., SUITE 206
 WEST PALM BEACH, FLORIDA 33406
 EB# 2438 TEL. (561) 968-0080 FAX. (561) 642-9726 LB# 2438

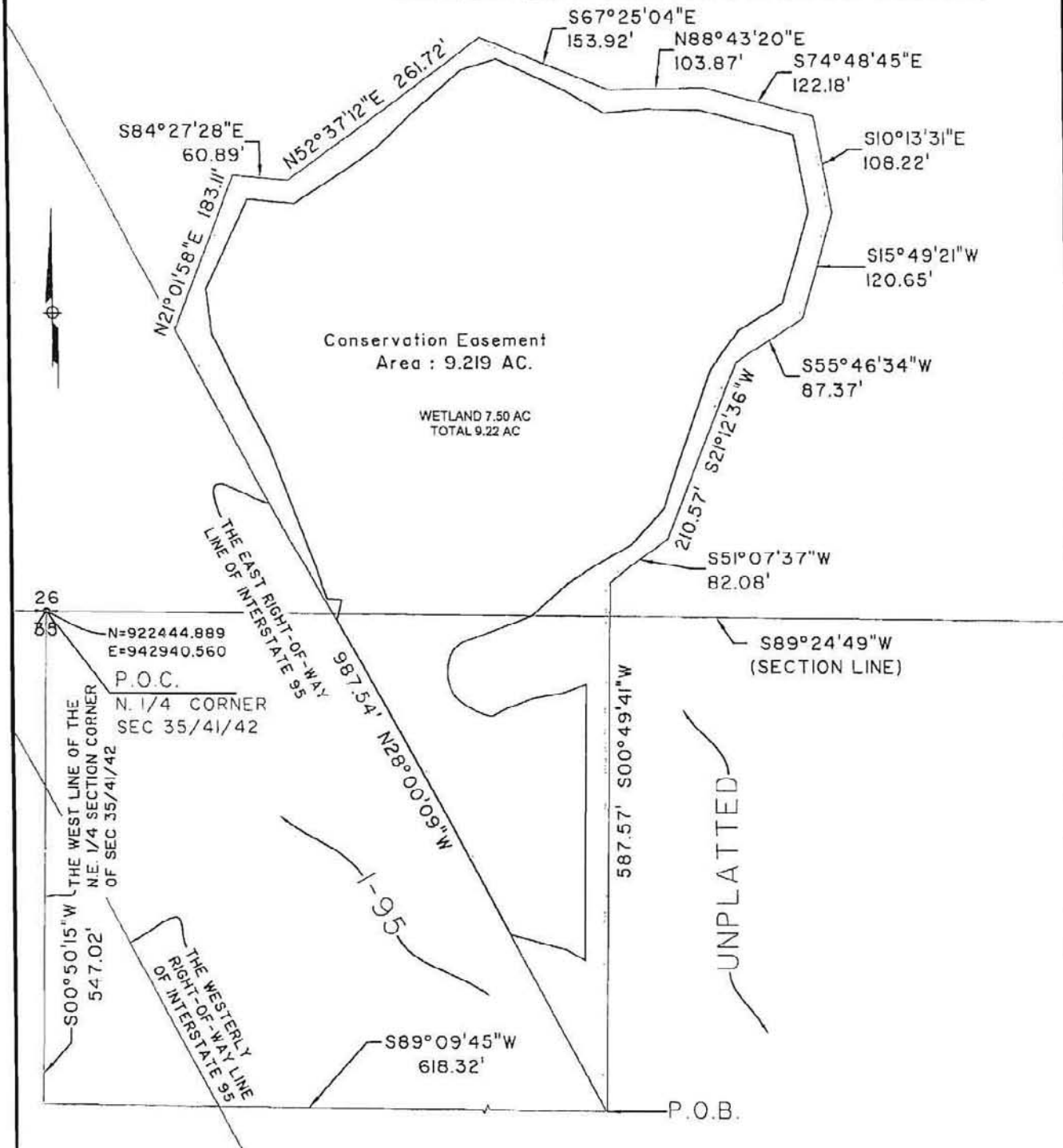
FIELD: N/A	DRAWN: M.A.M.	SCALE: N/A
BOOK: N/A	DATE: JULY 2009	PROJ. FILE CADDFILE 1345
PAGE: N/A	CHECKED: J.T.G.	BRIGER CONSERVATION

**SCRIPPS FLORIDA PHASE II /
 BRIGER DRI
 CONSERVATION EASEMENT**

SHEET NO. 1 OF 2 | JOB NO. 1345

CONSERVATION EASEMENT

SKETCH ONLY NOT A BOUNDARY SURVEY



MICHAEL B. SCHORAH & ASSOCIATES, INC.
 1850 FOREST HILL BLVD., SUITE 206
 WEST PALM BEACH, FLORIDA 33406
 EB# 2438 TEL. (561) 968-0080 FAX. (561) 842-9726 LB# 2438

**SCRIPPS FLORIDA PHASE II /
 BRIGER DRI
 CONSERVATION EASEMENT**

FIELD: N/A	DRAWN: M.A.M.	SCALE: 1" = 150'
BOOK: N/A	DATE: JULY 2009	PROJ. FILE CADDFILE 1345
PAGE: N/A	CHECKED: J.T.G.	BRIGER CONSERVATION EASEMENTS.DWG

SHEET NO. 2 OF 2 JOB NO. 1345

NOV 24 2009

20.1 Non-Ad Valorem Assessments.

All individuals or entities owning or purchasing tracts of land, lots or units within Scripps Florida and any additional property legally established of which Scripps Florida is a part will be obligated and responsible for paying such debt or maintenance non-ad valorem assessments that have or may be assessed and levied annually by NPBCID upon the Owner's real property. These non-ad valorem assessments are in addition to county, city and all other taxes and assessments provided by law and will appear on each Owner's annual Unified Real Property Tax Bill that is issued and collected by the Tax Collector of Palm Beach County, Florida.

20.2 Maintenance of NPBCID Improvements.

NPBCID will ~~may~~ install and construct improvements within Scripps Florida. The NPBCID ~~constructed~~ improvements for which NPBCID retains ownership shall be maintained by NPBCID unless the Association contracts with NPBCID for the Association to maintain all or part of such improvements. In the event NPBCID maintains such improvements, all individuals or entities owning or purchasing tracts of land, lots or units within Scripps Florida will pay for such maintenance expenses through ~~their~~ NPBCID non-ad valorem assessments. In the event the Association contracts to maintain such NPBCID improvements, then such maintenance expenses will be paid by the Owner through their assessments due ~~the Association or through their non-ad valorem assessments~~.

20.3 Primary and Secondary Surface Water Management Systems and Other NPBCID Facilities.

Scripps Florida is subject to a conceptual surface water management plan which has been or will be approved by the South Florida Water Management District. The Surface Water Management System for Scripps Florida is authorized pursuant to Permit No. . A copy of the initial conceptual permit which will be modified from time to time is attached hereto as Exhibit " ". Various real property interests have and has been or will be dedicated conveyed to NPBCID for stormwater drainage and buffers as required under said conceptual surface water management plan and for other NPBCID facilities. The Primary and Secondary Surface Water Management System and other NPBCID facilities shall be maintained by NPBCID unless the Association or the an additional Additional association Association, as applicable, contracts with NPBCID for the Association or the an additional Additional association Association, as the case may be, to maintain the Primary or Secondary Surface Water Management System and such other NPBCID facilities. In the event an Additional Association does not properly maintain that portion of the Secondary Surface Water Management System for which it has assumed such obligation, then the Association shall correct the maintenance problem and assess the applicable Owner's directly. The surface Surface water Water management Management systems Systems shall be maintained in compliance with the rules and regulations promulgated by the South Florida Water Management District and NPBCID and shall be conducted in coordination with all entities having responsibility for the same so that any wetlands within Scripps Florida shall be appropriately integrated into such plan. Such conceptual surface water management plans shall cover surface water drainage throughout Scripps Florida, including but not limited to regular and storm drainage on dedicated streets and other rights of way, lake drainage, and such other requirements as may be imposed by the South Florida Water Management District and NPBCID. In the event the Association contracts with NPBCID for the maintenance of the any portion of the conceptual surface Surface water Water management Management system System, then the Association: (a) shall apply for and obtain such permits and licenses as may be required by the South Florida Water Management District for Scripps Florida, submitted to the terms of this Declaration, (b) at the Association's expense, provide the Developer and South Florida Water Management District and/or NPBCID with any and all plans and specifications, surveys, descriptive maps, and other documentation required for the maintenance of

surface water as contemplated by this Section and shall give and grant to the Developer, owners of land adjacent to Scripps Florida, Palm Beach County, South Florida Water Management District, and NPBCID, any and all easements and rights of way required to effect real property surface water management, and (c) after the original development of Scripps Florida by NPBCID and Developer, they shall cause all physical earth moving, landscaping, sloping, grading and other work required to be done on the Scripps Florida property submitted to the terms of this Declaration in connection with the maintenance of the ~~conceptual~~ surface water management system to be done at the cost and expense of the Association unless such obligation is assumed by any Additional Association. [If the apportionment of such work between the Association and the Additional Association, as applicable, cannot be agreed to by the parties involved, such apportionment shall be determined by arbitration as defined in Florida Arbitration Code (Florida Statute 1998, Chapter 683), but may be collected through the non-ad valorem assessments. This portion of this Section shall be deemed an arbitration agreement as defined in Florida Statute 682.02.]. The Association shall have no authority to reconfigure or modify any aspect of the surface ~~Surface water~~ ~~Water management~~ ~~Management system~~ ~~System~~ titled in or dedicated to NPBCID except with the prior written permit and consent issued by NPBCID.

20.4 No Easements Over NPBCID Land

No easements in, upon, over, under or across any water body, drainage system or tract of land dedicated to, owned by, or subject to an easement in favor of NPBCID shall be ~~permitted~~ granted, rather the party desiring such easement rights ~~shall~~ must apply for and obtain permits from NPBCID for any such rights.

20.5 NPBCID Land Not Subject to Assessments

Notwithstanding ~~anything to the contrary herein~~, NPBCID and all of NPBCID's interest in land within Scripps Florida shall be exempt from all annual assessments, special assessments, extraordinary special assessments and fines that may be levied by the Association or any Additional Association. The Association and Additional Associations are prohibited from filing or attempting to execute upon any claim of lien as to a property interest owned by NPBCID within Scripps Property and any such recording in the public records shall be deemed null and void ab initio.

20.6 Lakes, Ponds, Retention Areas and Water Bodies

No swimming, operation of any boats or other recreational uses shall be permitted in or on any of the lakes, ponds, retention areas or other water bodies which are dedicated or deeded to NPBCID or over which NPBCID has an easement, unless previously permitted in writing by NPBCID. No removal of water nor discharge of any materials or water, nor removal or interference with aquatic vegetation or alteration of banks or shoreline of any lake, pond, canal or retention area dedicated or deeded to NPBCID or to which NPBCID has an easement is permitted, unless previously approved in writing by NPBCID. Notwithstanding the preceding sentence, where a permit, interlocal agreement or other agreement is in existence from or with NPBCID and any other entity that has the right to charge for withdrawal for irrigation, no other approval shall be required for the removal of water in accordance with the overall IQ water irrigation system for Scripps Florida if such IQ water irrigation system has been approved in writing by NPBCID and the billing entity having the right to charge for such removal. The lake levels are subject to fluctuation based on, among other things, the amount of rainfall occurring over time and the well water withdrawal by the City from the wells located within and adjacent to the Scripps Florida property.

20.7 NPBCID and South Florida Water Management District Approval Rights to Amendments

No amendment of this Declaration which would affect NPBCID's property interest or improvements located within the Scripps Florida property, shall occur unless first agreed to in writing by NPBCID. Similarly, no amendment of this Declaration which would affect the Surface Water Management System or any part thereof located within Scripps Florida property shall occur unless agreed to in writing by NPBCID and the South Florida Water Management District.

20.8 Use Restrictions.

The Association shall enforce the use restrictions of the Surface Water Management System. Activities prohibited within the Surface Water Management System shall include but not be limited to:

- (a) digging or excavations;
- (b) depositing fill, debris, or any other material or item;
- (c) constructing or altering any water control structure; or
- (d) any other construction that would modify the Surface Water Management System.

20.09 Enforcement by South Florida Water Management District.

The South Florida Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration and take enforcement measures including a civil action for injunction and/or penalties against the Association to compel the Association to correct any outstanding problems with the Surface Water Management System.

20.10 Maintenance and Monitoring.

The Association shall be responsible for the maintenance, operation and repair of the Surface Water Management System. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the system to provide drainage, water storage, conveyance or other surface water or storm water management capabilities as permitted by the South Florida Water Management District (the "District"), including but not limited to complying with the "best management practices" prevailing in the area and as otherwise required by the District. Any repair or reconstruction of the Surface Water Management System shall be as permitted or if modified, as approved by the District.

In the event the Association, an Additional Association or NPBCID, as the case may be, does not maintain, operate or repair the Surface Water Management System in accordance with the requirements of the environmental resource permit ("Permit") because the Permit is bifurcated and Scripps Florida is no longer subject to the Declaration, the Association shall become responsible for the operation, maintenance and repair of the Surface Water Management System for Scripps Florida in accordance with the rules and regulations promulgated by the District from time to time. Any repair or reconstruction of the Surface Water Management System by the Association shall be as permitted or if modified, as approved by the District.

20.11 Prohibition of Wetland Alteration.

THE CONSERVATION AREAS ARE HEREBY DEDICATED AS COMMON AREAS. THEY SHALL BE THE PERPETUAL RESPONSIBILITY OF THE ASSOCIATION AND MAY IN NO WAY BE ALTERED FROM THEIR NATURAL OR PERMITTED STATE. ACTIVITIES

PROHIBITED WITHIN THE CONSERVATION AREAS INCLUDE, BUT ARE NOT LIMITED TO, CONSTRUCTION OR PLACING OF BUILDINGS ON OR ABOVE THE GROUND; DUMPING OR PLACING SOIL OR OTHER SUBSTANCES SUCH AS TRASH; REMOVAL OR DESTRUCTION OF TREES, SHRUBS, OR OTHER VEGETATION - WITH THE EXCEPTION OF EXOTIC/NUISANCE VEGETATION REMOVAL; EXCAVATION, DREDGING OR REMOVAL OF SOIL MATERIAL; DIKING OR FENCING; ANY OTHER ACTIVITIES DETRIMENTAL TO DRAINAGE; FLOOD CONTROL, WATER CONSERVATION, EROSION CONTROL, OR FISH AND WILDLIFE HABITAT CONSERVATION OR PRESERVATION.

20.12. Covenant for Maintenance Assessment for Association.

Assessments shall be used for the maintenance and repair of the Surface Water Management System including but not limited to work within retention areas, drainage structures and drainage easements.

20.13. Conservation Areas.

Portions of Scripps Florida shall contain Conservation Areas, as required by the South Florida Water Management District, and as more particularly identified on the Master Plan or pursuant to any conservation easements created pursuant to Section 704.06, Florida Statutes. All Owners are notified that portions of the Units may contain or lie adjacent to Conservation Areas and each Owner shall comply with all use restrictions created herein or pursuant to any conservation easements created for the Conservation Areas. The Association is charged with the duty of perpetually maintaining all Conservation Areas in accordance with the use restrictions as set forth in Section 20.8 hereof as well as the requirements contained in the South Florida Water Management District permit pertaining to Scripps Florida and any subsequent conservation easements created and in conformity with the Maintenance and Monitoring Plan as described in Exhibit "E" attached hereto. All expenses incurred in maintaining the Conservation Areas shall be deemed Common Expenses and the Unit Owners shall be responsible for paying same. The Association is further charged with the duty to perpetually maintain all markers and signage required by the South Florida Water Management District permit governing Scripps Florida and the Association shall have a perpetual right and easement over the entire area of Scripps Florida to maintain the Conservation Areas, and all markers and signs pertaining thereto.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the date and year first written above.

DECLARANT:

SCRIPPS FLORIDA, LLC, a Florida limited liability company

By: _____

Name: _____

Its: _____

STATE OF FLORIDA)



FLORIDA DEPARTMENT OF STATE
Kurt S. Browning
Secretary of State
DIVISION OF HISTORICAL RESOURCES

Ms. Kim Perry
Archaeological and Historical Conservancy, Inc.
4800 S.W. 64th Ave., Suite 107
Davie, Florida 33314

December 17, 2008

Re: DHR Project File No.: 2008-06244-B
Received by DHR: September 25, 2008
Additional Information Received: December 8, 2008
A Cultural Resource Survey of the Briger Parcel, Palm Beach County, Florida

Dear Ms. Perry:

Our office received and reviewed the above referenced survey report in accordance with Chapters 267 and 373 of the *Florida Statutes*, for possible adverse impact to cultural resources (any prehistoric or historic district, site, building, structure, or object) listed, or eligible for listing, in the National Register of Historic Places (NRHP).

Between February and September 2008, the Archaeological and Historical Conservancy, Inc. (AHC) conducted a Phase I archaeological and historical survey of the Briger parcel on behalf of The Lester Family Investments, Richard Thrall, Robert Thrall, Peter L. Briger, Paul H. Briger, and the David Minkin Florida Realty Trust. AHC identified one previously unrecorded archaeological site (8PB13953) and the remains of one historic structure (8PB13962) within the project area during the investigation.

AHC determined that the Briger House (8PB13962) does not appear to be eligible for listing on the NRHP due to its lack of architectural or historical significance and its ruinous condition.

AHC identified the Briger Site (8PB13953), a prehistoric midden and historic artifact scatter. While the majority of the site has limited research potential due to low density, one area in the northeast portion of the hammock exhibits a concentration of prehistoric materials. AHC recommends preservation of this portion of the site or, if preservation is not possible, additional investigation to determine its eligibility for listing on the NRHP.

Contingent upon preservation of the referenced portion of the Briger Site, the proposed development will have no effect on cultural resources listed, or eligible for listing, on the NRHP.

500 S. Bronough Street • Tallahassee, FL 32399-0250 • <http://www.flheritage.com>

Director's Office
(850) 245-6300 • FAX: 245-6436

Archaeological Research
(850) 245-6444 • FAX: 245-6452

Historic Preservation
(850) 245-6333 • FAX: 245-6437

APPLICATION NO. 090427-7

EXHIBIT 4.0

Page 1 of 2

Ms. Perry
December 17, 2008
Page 2

Based on the information provided, our office concurs with these determinations and finds the submitted report complete and sufficient in accordance with Chapter 1A-46, *Florida Administrative Code*.

For any questions concerning our comments, please contact April Westerman, Historic Preservationist, by electronic mail at amwesterman@dos.state.fl.us, or by phone at (850) 245-6333. We appreciate your continued interest in protecting Florida's historic properties.

Sincerely,

A handwritten signature in black ink that reads "Frederick P. Gaske". The signature is written in a cursive style and is positioned above a solid black rectangular redaction mark.

Frederick P. Gaske, Director, and
State Historic Preservation Officer



FLORIDA DEPARTMENT OF STATE
Kurt S. Browning
Secretary of State
DIVISION OF HISTORICAL RESOURCES

RECEIVED
JUN 02 2009
ENV RES REGULATION

Mr. Tony Waterhouse
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, Florida 33406

May 27, 2009

Re: DHR No.: 2009-2668/Received by DHR: May 1, 2009
Application No.: 090427-7
Applicant: The David Minkin Florida Realty Trust
Project: Scripps Florida Phase II/Briger DRI
Palm Beach County

Dear Mr. Waterhouse:

Our office received and reviewed the referenced project in accordance with Chapters 267 and 373, *Florida Statutes*, Florida's Coastal Management Program, and implementing state regulations, for possible impact to historic properties listed, or eligible for listing, in the *National Register of Historic Places* (NRHP), or otherwise of historical, architectural or archaeological value. The State Historic Preservation Officer is to advise and assist state and federal agencies when identifying historic properties, assessing effects upon them, and considering alternatives to avoid or minimize adverse effects.

A review of our records and of the Florida Master Site File (FMSF) data indicates that the project boundaries as they appear in the application forwarded to this office contain the Briger Site (8PB13953). Enclosed please find a copy of our review of the survey report submitted by AHC, in which this office concurred with the recommendation to preserve the northeast portion of the Briger Site. This office will require written confirmation that all proposed project activities continue to avoid this area as previously recommended. Should the plans include this area, this office must be consulted further.

For any questions concerning our comments, please contact Stacey Cahan, Historic Sites Specialist, by phone at (850) 245-6333, or by electronic mail at dscahan@dos.state.fl.us. We appreciate your continued interest in protecting Florida's historic properties.

Sincerely,

Frederick P. Gaske, Director, and
State Historic Preservation Officer Mr.

Xc: Ken Tuma, Urban Design Kilday Studios

Enclosures

500 S. Bronough Street • Tallahassee, FL 32399-0250 • <http://www.flheritage.com>

Director's Office
(850) 245-6300 • FAX: 245-6436

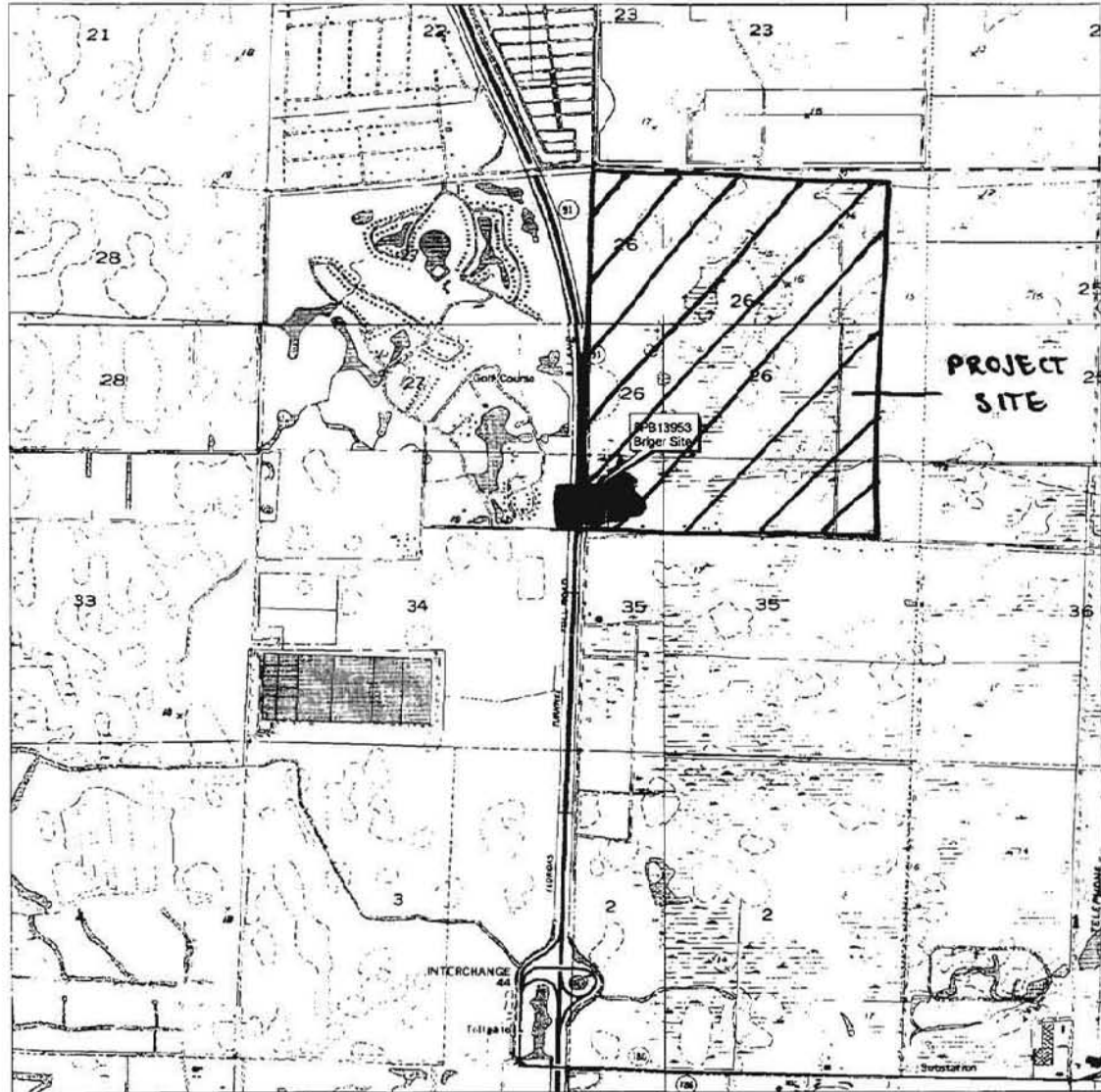
Archaeological Research
(850) 245-6444 • FAX: 245-6452

Historic Preservation
(850) 245-6333 • FAX: 245-6437

■ Floridasites.shp



DHR No. 2009-2668



**South Florida Water Management District
Work Schedule Requirements**

Application No : 090427-7

Page 1 of 1

Mitigation Plan ID: LOXAHATCHEE MIT BANK

Activity	Due Date
SUBMIT LOXAHATCHEE MITIGATION BANK DOCUMENTATION	25-MAR-12

Exhibit No : 5

STANDARD PROTECTION MEASURES FOR THE EASTERN INDIGO SNAKE

1. An eastern indigo snake protection/education plan shall be developed by the applicant or requestor for all construction personnel to follow. The plan shall be provided to the Service for review and approval at least 30 days prior to any clearing activities. The educational materials for the plan may consist of a combination of posters, videos, pamphlets, and lectures (*e.g.*, an observer trained to identify eastern indigo snakes could use the protection/education plan to instruct construction personnel before any clearing activities occur). Informational signs should be posted throughout the construction site and along any proposed access road to contain the following information:
 - a. a description of the eastern indigo snake, its habits, and protection under Federal Law;
 - b. instructions not to injure, harm, harass or kill this species;
 - c. directions to cease clearing activities and allow the eastern indigo snake sufficient time to move away from the site on its own before resuming clearing; and,
 - d. telephone numbers of pertinent agencies to be contacted if a dead eastern indigo snake is encountered. The dead specimen should be thoroughly soaked in water and then frozen.
2. If not currently authorized through an Incidental Take Statement in association with a Biological Opinion, only individuals who have been either authorized by a section 10(a)(1)(A) permit issued by the Service, or by the State of Florida through the Florida Fish Wildlife Conservation Commission (FWC) for such activities, are permitted to come in contact with an eastern indigo snake.
3. An eastern indigo snake monitoring report must be submitted to the appropriate Florida Field Office within 60 days of the conclusion of clearing phases. The report should be submitted whether or not eastern indigo snakes are observed. The report should contain the following information:
 - a. any sightings of eastern indigo snakes and
 - b. other obligations required by the Florida Fish and Wildlife Conservation Commission, as stipulated in the permit.

Revised February 12, 2004

STAFF REPORT DISTRIBUTION LIST

SCRIPPS FLORIDA PHASE II / BRIGER

Application No: 090427-7

Permit No: 50-00610-S-24

INTERNAL DISTRIBUTION

- X Rosalyn W. Ellington
- X Trisha Stone
- X Barbara J. Conmy
- X Carlos A. de Rojas, P.E.
- X A. Bain
- X A. Waterhouse
- X ERC Engineering
- X ERC Environmental
- X H. Bittaker, PBCSC
- X Permit File

EXTERNAL DISTRIBUTION

- X Permittee - The David Minkin Florida Realty Trust
- X Permittee - Richard And Robert Thall
- X Permittee - Peter L And Paul H Briger
- X Permittee - The Lester Family Investments L P
- X Permittee - Palm Beach County
- X Adj Owner - Power Play Sports And Entertainment Ltd
- X Agent - Urban Design Kilday Studios
- X Attorney - Casey Cilkin Lubitz Martens & O'Connell
- X Attorney - Casey Cilkin Lubitz Martens & O'Connell
- X Engr Consultant - Michael B. Schorah & Associates, Inc.
- X Env Consultant - Environmental Services, Inc.

GOVERNMENT AGENCIES

- X City Engineer, City of Palm Beach Gardens
- X Div of Recreation and Park - District 7 - FDEP
- X Division of Historical Resources - Frederick P. Gaske
- X Indian Trail Improvement District
- X Northern Palm Beach County Improvement District
- X Palm Beach County - Environmental Res Management
- X Palm Beach County - Health Dept Environmental Health & Engineering
- X Palm Beach County - School Board Growth Mgmt
- X Palm Beach County - Water Utilities Operations Center
- X Palm Beach County Engineer
- X U.S. Army Corps of Engineers - Erik Reusch

OTHER INTERESTED PARTIES

- X ARCADIS-US, Inc. - Robert Lawson
- X Alexandria Larson
- X Palm Beach Co Environmental Coalition - Panagiotti Tsolkas (Cert #70081140000141119406)
- X Rosa Durando
- X Seacoast Utility Authority

STAFF REPORT DISTRIBUTION LIST

- X Seacoast Utility Authority - Bruce Gregg
- X Tetra Tech EC, Inc. - Kristin Bennett
- X Water Catchment Area Advisory Committee - Ed Dailey

EXHIBIT "B"

NPBCID AUTHORIZING RESOLUTION

[INTENTIONALLY OMITTED-- SEE APPENDIX A]

EXHIBIT "C"

NPBCID PLAN OF IMPROVEMENTS

[INTENTIONALLY OMITTED-- SEE APPENDIX B]

EXHIBIT "D"

NPBCID ENGINEER'S REPORT

[INTENTIONALLY OMITTED-- SEE APPENDIX D]

EXHIBIT "E"

CERTIFICATE FROM ROBERT W. LAWSON

ARCADIS U.S., Inc.
2081 Vista Parkway
Suite 305
West Palm Beach
Florida 33411
Tel 561 697 7000
Fax 561 697 7751
www.arcadis-us.com

Mr. O'Neal Bardin, Jr.
Executive Director
Northern Palm Beach County Improvement District
359 Hiatt Drive
Palm Beach Gardens, FL 33418

INFRASTRUCTURE

Mr. Brian B. Joslyn, Esq.
Ciklin Lubitz Martens & O'Connell
515 North Flagler Drive
Suite 200
West Palm Beach, FL 33401

Date:
September 30, 2014

Mr. H. William Perry, Esq.
Gunster, Yoakley & Stewart, P.A.
777 South Flagler Drive
Suite 500 East
West Palm Beach, FL 33401

Contact:
Robert W. Lawson, P.E.

Phone:
697-7002

Email:
Rlawson@arcadis-us.com

Subject:
Unit of Development No. 2C
SFWMD Conceptual Permit Review

Our ref:
WF590PO1.1122

Dear Mr. Bardin:

Florida License Numbers

Engineering
7917

Geology
GB564

Surveying
LB7062

Please let this letter serve as my certification that I have compared the South Florida Water Management District conceptual permit issued on May 4, 2010, with the modified South Florida Water Management District conceptual and construction permit bearing the same 50-00610-S-24 permit number issued on August 11, 2014.

The major difference between the two conceptual permits is the elimination of the basin divide between the eastern two sub-basins designated as A1 and B1E, combining them into a single sub-basin to be designated as A1/B1E. No other significant modifications were requested or granted under the updated permit.

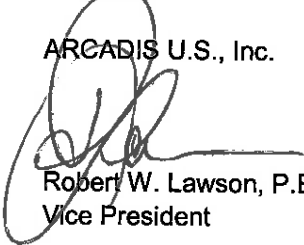
Although minor adjustments to control structure geometry would be required if the original conceptual permit were to be used, it is my opinion that the public infrastructure identified in the current Unit of Development No. 2C Plan of Improvements could be constructed based on permits conforming to the original

Imagine the result

Conceptual Permit issued by South Florida Water Management District on May 4, 2010 provided it doesn't automatically expire due to a failure to timely extend its duration.

Sincerely,

ARCADIS U.S., Inc.



Robert W. Lawson, P.E., Reg. # 26640
Vice President

Copies:

Kennith W. Edwards, Esq. – Caldwell Pacetti Edwards Schoech & Viator, LLP

EXHIBIT "F"

SFWMD Administrative Rule 40E-4.321, F.A.C.

Overview of Chapter 40E-4 Environmental Resource Permits

[Note: The text on this page and the next provides a brief overview of the provisions of Chapter 40E-4, Florida Administrative Code (F.A.C.). The overview text is intended only to provide a basic understanding of the Chapter, and should not be used in place of the duly-adopted rule language or in a manner which is inconsistent with Chapter 40E-4, F.A.C.]

This Chapter sets forth the requirements for qualification by a project for an exemption from environmental resource permitting and for a Standard, an Individual, or a Conceptual Approval Environmental Resource Permit. Generally, all construction, alteration, operation, maintenance, removal, or abandonment of any stormwater management system, dam, impoundment, reservoir, or related work must have an Environmental Resource Permit. This includes activities previously known as "dredge and fill".

The District may also be petitioned to perform formal determinations of wetlands and other surface waters.

Section 40E-4.051 sets forth the activities which are exempt from permitting. Section 40E-4.0515 sets forth the activities which are exempt from some permitting criteria. Additional criteria may be superimposed if a project is to be located within an area in which the District has adopted basin rules; see Chapter 40E-41. Additional requirements for qualification by a project for a Standard Environmental Resource Permit are in Rule Chapter 40E-40.

Standard permits are issued by District staff. The Governing Board considers staff recommendations for denial of noticed or standard permit applications. (See Subsection 40E-4.021(23).) Conceptual approvals and individual permits are issued by the District's Executive Director. (See Subsections 40E-4.021(5) and 40E-4.021(26), respectively.)

All mitigation bank environmental resource permits are issued by the Executive Director. (See Subsections 40E-4.041(4), 40E-4.021(5), and 40E-4.021(26).)

An Individual (Executive Director -issued) Environmental Resource Permit is applicable for any project, system, or activity which equals or exceeds any one of the following criteria:

1. The surface water management system serves a project 100 acres or more in size.
2. Construction or alteration is proposed in, on, or over a total of one acre or more of wetlands or other surface waters.
3. More than nine boat slips are proposed.

Also, Subsection 40E-40.011(2) contains descriptions of activities which, regardless of the three criteria listed above, can require an application for an individual permit.

The Board may designate geographic areas within which thresholds apply which are lower than those listed above.

To apply for a Conceptual Approval or an Individual Environmental Resource Permit under this Rule Chapter, the applicant must submit a properly-completed and signed *Joint Application for Environmental Resource Permit/Authorization to Use State Owned Submerged Lands/Federal Dredge and Fill Permit*, Form 0971; the items and documents described in that form; and the appropriate fee.

Rules of the South Florida Water Management District

ENVIRONMENTAL RESOURCE PERMITS

Chapter 40E-4, F.A.C.



Effective Date: July 4, 2010

On **August 20, 2010** minor corrections were made and incorporated to this Chapter Rule which did not require rulemaking. Since the effective date reflects a rule adopted through rulemaking, the effective date above will remain.

**CHAPTER 40E-4
ENVIRONMENTAL RESOURCE PERMITS**

- 40E-4.010 Review of Environmental Resource Permit Applications
- 40E-4.011 Policy and Purpose
- 40E-4.021 Definitions
- 40E-4.031 Implementation
- 40E-4.041 Permits Required
- 40E-4.0415 Permit Thresholds
- 40E-4.042 Formal Determination of Wetlands and Other Surface Waters
- 40E-4.051 Exemptions From Permitting
- 40E-4.0515 Exemptions From Specified Review Criteria
- 40E-4.052 Request for Exemption (Repealed)
- 40E-4.053 Conditions for Exemption (Repealed)
- 40E-4.054 Modification of Exempt Projects
- 40E-4.091 Publications, Rules and Interagency Agreements Incorporated by Reference
- 40E-4.101 Content of Permit Applications
- 40E-4.201 Forms and Instructions
- 40E-4.205 Permit Application Processing Fees
- 40E-4.301 Conditions for Issuance of Permits
- 40E-4.302 Additional Conditions for Issuance of Permits
- 40E-4.303 Environmental Resource Permit Authorization
- 40E-4.305 Conceptual Approvals
- 40E-4.311 Variances from Specified Review Criteria for Environmental Resource Permits
- 40E-4.321 Duration of Permits
- 40E-4.331 Modification of Permits
- 40E-4.341 District Revocation or Modification of Permits
- 40E-4.351 Transfer of Permits
- 40E-4.361 Conversion from Construction Phase to Operation Phase
- 40E-4.371 Abatement and Abandonment of a System (Repealed)
- 40E-4.381 General Conditions
- 40E-4.451 Emergency Authorization

40E-4.010 Review of Environmental Resource Permit Applications.

Environmental Resource permit applications are processed pursuant to the provisions of Section 120.60, F.S., Part VI of Chapter 40E-1 and 28-106, F.A.C.

Rulemaking Authority 120.54(5), 120.60 FS. Law Implemented 120.54(5), 120.60 FS. History—New 7-2-98.

40E-4.011 Policy and Purpose.

(1) It is the policy of the District to regulate activities in, on or over wetlands or other surface waters and the management and storage of all surface waters within its boundaries pursuant to the provisions of Chapter 373, F.S., and Chapters 40E-4, 40E-40, 40E-41 and 40E-400, F.A.C.

(2) This chapter, as well as Chapters 40E-40 and 40E-400, F.A.C., implement the comprehensive permit system contemplated in Part IV of Chapter 373, F.S.

(3) The rules relating to environmental resource permits are found in this chapter, Chapters 40E-40, (Environmental Resource Standard General Permits) and 40E-41, F.A.C. (Surface Water Management Basin and Related Criteria). In addition, no notice and noticed environmental resource general permits are found in Chapter

40E-400, F.A.C.

(4) Supplemental permit requirements for activities within defined geographical areas are found in Chapters 40E-41 (Surface Water Management Basin and Related Criteria), 40E-61, (Lake Okeechobee Surface Water Management and Improvement Permits), and 40E-63, F.A.C. (Everglades Agricultural Area Surface Water Management and Improvement Permits).

Specific Authority 373.044, 373.113 FS. Law Implemented 373.086(1), 373.103(1), 373.103(4), 373.403-.443 FS. History—New 9-3-81, Formerly 16K-4.01, Amended 4-20-94, 10-3-95.

40E-4.021 Definitions.

When used in this chapter, Chapters 40E-40, 40E-41 and 40E-400, F.A.C.:

(1) “Abandon” or “Abandonment” means cessation of use and maintenance activities or responsibility for a system, or part of a system.

(2) “Alter” means to extend a dam or works beyond maintenance in its original condition, including changes which may increase or diminish the flow or storage of surface water which may affect the safety of such dam or works.

(3) “Appurtenant Works” means any artificial improvements to a dam which might affect the safety of such dam or, when employed, might affect the holding capacity of such dam or of the reservoir or impoundment created by such dam.

(4) “Aquatic Preserve” means an exceptional area of submerged lands and its associated waters set aside for being maintained essentially in its natural or existing condition, as authorized by Chapter 258, F.S.

(5) “Conceptual Approval” means an environmental resource permit, issued by the District Governing Board, which approves a conceptual master plan for a surface water management system or a mitigation bank. Conceptual approvals constitute final District action, and are binding to the extent that adequate data has been made available for review by the applicant during the review process. To the extent that there is any inconsistency between the permit, staff report, and other information in the application file, the permit and staff report shall control.

(6) “Conservation Easement” means a right or interest in real property pursuant to Section 704.06, F.S., which is appropriate to retaining land or water areas predominantly in their natural, scenic, open, agricultural, or wooded condition; retaining such areas as suitable habitat for fish, plants, or wildlife; retaining the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or cultural significance; or maintaining existing land uses and which prohibits or limits any or all of the following:

(a) Construction or placing of buildings, roads, signs, billboards or other advertising, utilities or other structures on or above the ground;

(b) Dumping or placing of soil or other substance or material as landfill or dumping or placing of trash, waste, or unsightly or offensive materials;

(c) Removal or destruction of trees, shrubs, or other vegetation;

(d) Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface;

(e) Surface use except for purposes that permit the land or water area to remain predominantly in its natural condition;

(f) Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation;

(g) Acts or uses detrimental to such retention of land or water areas; and

(h) Acts or uses detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or cultural significance.

(7) “Construction” means any activity including land clearing, earth moving or the erection of structures which will result in the creation of a system.

(8) “Dam” means any artificial or natural barrier, with appurtenant works, raised to obstruct or impound, or

which does obstruct or impound, any of the surface waters of the state.

(9) “Department” means the Florida Department of Environmental Protection.

(10) “Drainage Basin” means a subdivision of a watershed.

(11) “Dredging” means excavation, by any means, in surface water or wetlands, as delineated by Section 373.4211, F.S. It also means the excavation, or creation, of a water body which is, or is to be, connected to surface waters or wetlands, as delineated by Section 373.4211, F.S., directly or via an excavated water body or series of water bodies.

(12) “e-Permitting website” means the District’s website address for e-Permitting at <http://www.sfwmd.gov/ePermitting>. After accessing the e-Permitting website, the user clicks the start icon on the e-Permitting homepage.

(13) “Electronic filing” means filing or submission of an Environmental Resource, Surface Water Management, Consumptive Use, or Works of the District Permit Application; Response to Request for Additional Information; or Request for Permit Transfer at the District’s e-Permitting website. Electronic filing is governed by the provisions of Chapter 668, F.S. If the applicant or sender of electronic data inhibits the ability of the District to store or print the electronic data, it shall not be considered filed with or received by the District. Filings received by the District after 5:00 p.m. shall be deemed filed on the next regular business day.

(14) “Electronic mail” means an electronic or computer file that is transmitted between two or more telecommunications devices; computers; computer networks, regardless of whether the network is a local, regional, or global network; or electronic devices capable of receiving electronic messages, regardless of whether the message is converted to hard copy format after receipt, viewed upon transmission, or stored for later retrieval. Electronic mail received after 5:00 p.m. shall be deemed received on the next regular business day.

(15) “Electronic record” means information that is stored in an electronic medium and is retrievable in a perceivable form, including public records as defined in Section 119.011, F.S.

(16) “Electronic signature” means an electronic sound, symbol, or process attached to an electronic record and executed or adopted by a person with the intent to sign the record.

(17) “Embedment” means the placement of transmission or distribution lines, pipes or cables into the bottoms of waters of the State by minimal displacement of bottom material and without the creation of a trench, or trough, through the use of techniques such as plowing-in, weighing-in, or non-trenching jets.

(18) “Endangered species” means those animal species which are listed as endangered in Rule 68A-27.003, F.A.C., and those plant species which are listed in 50 Code of Federal Regulations 17.12, when such plants are found to be located in a wetland or other surface water.

(19) “Entrenchment” means the placement of transmission or distribution lines, pipes or cables into the bottoms of waters of the State by the creation of a defined trench, or trough, through the use of such devices as clamshells, dredges, trenching jets, or other devices which produce similar results.

(20) “Environmental resource permit” means a conceptual approval, individual or general permit for a surface water management system issued pursuant to Part IV, Chapter 373, F.S. Environmental resource permit also means a conceptual or individual permit for the establishment and operation of a mitigation bank.

(21) “Estuary” means a semi-enclosed, naturally existing coastal body of water which has a free connection with the open sea and within which seawater is measurably diluted with fresh water derived from riverine systems.

(22) “Filling” means the deposition, by any means, of materials in surface waters or wetlands, as delineated by Section 373.4211, F.S.

(23) “General Permit” means a no notice, noticed or standard general environmental resource permit issued by District staff. However, staff recommendations for denial of noticed or standard general permit applications shall be considered by the Governing Board.

(24) “Impoundment” means any lake, reservoir, pond, or other containment of surface water occupying a bed or depression in the earth’s surface and having a discernible shoreline.

(25) “Incidental site activities” means those certain site activities in uplands which may be conducted in conjunction with the work proposed in an environmental resource permit application such as: land clearing in

uplands; minimal earthwork, lake construction; road subgrade construction; foundation construction; utility installation; fence installation; construction trailer installation; unconnected drainage facility construction; or other similar activities.

(26) "Individual Permit" means an environmental resource permit issued by the District Governing Board.

(27) "Isolated Wetland" means any wetland without a direct hydrologic connection to a lake, stream, estuary, or marine water.

(28) "Lagoon" means a naturally existing coastal zone depression which is below mean high water and which has permanent or ephemeral communications with the sea, but which is protected from the sea by some type of naturally existing barrier.

(29) "Listed Species" means those animal species which are endangered, threatened or of special concern and are listed in Rules 68A-27.003 (as amended December 16, 2003), 68A-27.004 (as amended May 15, 2008) and 68A-27.005 (as amended November 8, 2007), F.A.C., and those plant species listed in 50 Code of Federal Regulations 17.12 (as amended April 8, 2004), when such plants are found to be located in a wetland or other surface water.

(30) "Maintenance" or "Repairs" means remedial work of a nature as may affect the safety of any dam, impoundment, reservoir, or appurtenant work or works, but excludes routine custodial maintenance.

(31) "Operation Permit" means a permit issued by the District authorizing the operation and maintenance of a surface water management system in accordance with the terms and conditions of the permit.

(32) "Other Surface Waters" means surface waters as described and delineated pursuant to Rule 62-340.600, F.A.C., as ratified by Section 373.4211, F.S., other than wetlands.

(33) "Posting" means placing notice on the District's website or on one of the District's official posting bulletin boards.

(34) "Riprap" means a sustaining wall made to reduce the force of waves and to protect the shore from erosion and consists of unconsolidated boulders, rocks, or clean concrete rubble with no exposed reinforcing rods or similar protrusions.

(35) "Species of Special Concern" means those animal species listed in Rule 68A-27.005, F.A.C.

(36) "State Water Quality Standards" means water quality standards adopted pursuant to Chapter 403, F.S.

(37) "Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system.

(38) "Surface Water Management Permit" means a permit issued pursuant to Chapter 40E-4 or 40E-40, F.A.C., prior to October 3, 1995, or that is grandfathered pursuant to Sections 373.414(11)-(16), F.S.

(39) "Surface Water Management System" or "System" means a stormwater management system, dam, impoundment, reservoir, appurtenant work or works, or any combination thereof. The terms "surface water management system" or "system" includes areas of dredging or filling as defined by Section 373.403(13) and (14), F.S., respectively.

(40) "Threatened Species" means those animal species listed in Rule 68A-27.004, F.A.C., and those plant species which are listed as threatened in 50 Code of Federal Regulations 17.12.

(41) "Total Land Area" means land holdings under common ownership which are contiguous or land holdings which are served by common surface water management facilities.

(42) "Vertical Seawall" is a seawall the waterward face of which is at a slope greater than 75 degrees to the horizontal. A seawall with sloping riprap covering the waterward face to the mean high water line shall not be considered a vertical seawall.

(43) "Watershed" means the land area which contributes to the flow of water into a receiving body of water.

(44) "Wetlands" means those areas that are inundated or saturated by surface water or ground water at a frequency and a duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soils. Soils present in wetlands generally are classified as hydric or alluvial, or possess characteristics that are associated with reducing soil conditions. The prevalent vegetation in

wetlands generally consists of facultative or obligate hydrophytic macrophytes that are typically adapted to areas having soil conditions described above. These species, due to morphological, physiological or reproductive adaptation, have the ability to grow, reproduce, or persist in aquatic environments or anaerobic soil conditions. Florida wetlands generally include swamps, marshes, bayheads, bogs, cypress domes and strands, sloughs, wet prairies, riverine swamps and marshes, hydric seepage slopes, tidal marshes, mangrove swamps and other similar areas. Florida wetlands generally do not include longleaf or slash pine flatwoods with an understory dominated by saw palmetto. The landward extent of wetlands is delineated pursuant to Rules 62-340.100 through 62-340.550, F.A.C., as ratified by Section 373.4211, F.S.

(45) "Wetland Resource Permit" means a permit issued pursuant to Chapter 62-312, F.A.C., prior to October 3, 1995, or that is grandfathered pursuant to Sections 373.414(11)-(16), F.S.

(46) "Works" means all artificial structures, including but not limited to ditches, canals, conduits, channels, culverts, pipes, and other construction that connects to, draws water from, drains water into, or is placed in or across the waters in the state.

Rulemaking Authority 373.044, 373.113, 668.003, 668.004, 668.50 FS. Law Implemented 373.019, 373.403-.443, 403.031, 668.003, 668.004, 668.50, 704.06 FS. History--New 9-3-81, Amended 1-31-82, 12-1-82, Formerly 16K-1.05(1), Amended 7-1-86, 4-20-94, 10-3-95, 4-1-96, 10-1-06, 3-22-09, 11-11-09.

40E-4.031 Implementation.

(1) The effective dates for the permit program developed pursuant to Part IV, Chapter 373, F.S., are:

(a) January 12, 1977, for the portion of the District formerly within the Ridge and Lower Gulf Coast Water Management District.

(b) March 2, 1974, for the remainder of the District.

(2) The rules implementing the Environmental Resource Permit program shall apply to all projects which do not have a complete permit application, as evidenced by a letter of completeness from the District on the effective date of the rule, unless the project is grandfathered pursuant to Section 373.414, F.S.

(3) Unless otherwise addressed by this rule, an application deemed complete prior to the effective date of a rule shall be governed by the rule in effect at the time the application became complete.

Rulemaking Authority 373.044, 373.113, 373.171 FS. Law Implemented 373.403-.443 FS. History--New 9-3-81, Amended 4-20-94, 10-5-95.

40E-4.041 Permits Required.

(1) Unless expressly exempt by law or rule, it shall be unlawful for any person to construct, alter, operate, maintain, remove or abandon any stormwater management system, dam, impoundment, reservoir, appurtenant work or works, or any combination thereof, including dredging or filling without first having obtained an environmental resource permit from the District. This includes the maintenance and operation of existing agricultural surface water management systems and the construction of new agricultural surface water management systems.

(2) The District issues three types of environmental resource permits: conceptual approval permits; individual permits; and general permits.

(a) Conceptual approval permits are issued in individual form only. A conceptual approval may be issued for projects that are to be developed in phases. A conceptual approval does not authorize any construction, alteration, operation, maintenance, removal or abandonment of a surface water management system.

(b) An individual permit shall be issued pursuant to Chapter 40E-4, F.A.C., for projects that do not qualify for general permits based on the threshold conditions set forth in Chapters 40E-40 and 40E-400, F.A.C.

(c) General permits are issued in three forms: no notice, noticed and standard general environmental resource permits. General permits are issued for specified activities or projects that satisfy the thresholds and conditions of Chapters 40E-40 and 40E-400, F.A.C. Standard general permits are issued pursuant to Chapter 40E-40, F.A.C. No notice and noticed general permits are issued pursuant to Chapter 40E-400, F.A.C.

1. If the District notifies an applicant that the system for which a noticed general permit is sought does not

qualify for the noticed general permit, the applicant may apply for a standard general or individual permit.

2. The application fee for the noticed general permit shall be applied to the application fee for a standard general or individual permit if the applicant applies for such a permit within 60 days of notification by the District.

(3) For environmental resource permit applications and permit applications under subsections 373.414(11)-(16), F.S., which involve activities located on submerged lands owned by the Board of Trustees of the Internal Improvement Trust Fund under Chapter 253 or 258, F.S., the District shall conduct concurrent application review procedures in accordance with Section 373.427, F.S., Chapter 18-21, F.A.C., and Rules 62-343.075 and 18-18.014, F.A.C.

(4) The District issues two types of mitigation bank environmental resource permits: conceptual approvals and individual permits, pursuant to Section 4.4 of the "Basis of Review for Environmental Resource Permit Applications within the South Florida Water Management District," incorporated by reference in Rule 40E-4.091, F.A.C. A conceptual approval does not authorize the establishment or operation of the mitigation bank. A mitigation bank individual permit authorizes the establishment and operation of a mitigation bank and constitutes authorization pursuant to Chapters 40E-4, 40E-40, or 40E-400, F.A.C., as applicable, to construct any surface water management system proposed as part of the mitigation bank.

(5) Any dredging or filling in, on or over surface waters of the state that is authorized by an individual or general permit issued under Chapters 40E-4 and 40E-40, F.A.C., as these chapters existed prior to October 3, 1995, but is not authorized by a permit or an exemption under Chapter 62-312, F.A.C., (1994) shall require an environmental resource permit prior to the dredging or filling. However, such dredging or filling shall be exempt from the requirements of paragraphs 40E-4.301(1)(a) through (e) and (g) through (k), F.A.C.

Rulemaking Authority 373.044, 373.113, 373.406(5) FS. Law Implemented 373.103, 373.413, 373.416, 373.426 FS. History—New 9-3-81, Amended 12-1-82, Formerly 16K-4.03(1), 16K-4.07(1), 16K-4.09(1), Amended 1-23-94, 4-20-94, 10-3-95, 4-1-96, 1-7-97, 7-22-07.

40E-4.0415 Permit Thresholds.

(1) A system which exceeds any one of the following threshold conditions must obtain an individual environmental resource permit:

(a) The system serves a project of 100 acres or more; or

(b) Construction or alteration of the system, including dredging or filling, is proposed in, on, or over a total of one acre or more of wetlands or other surface waters; however, calculation of the one acre area shall not include:

1. Ditches and wholly owned ponds that were constructed in uplands;
2. Any isolated wetlands with a surface area of less than 0.5 acres.

(c) The system includes more than nine proposed boat slips.

(2) Any non-exempt system which does not qualify for a noticed or no-notice general environmental resource permit pursuant to Chapter 40E-400, F.A.C., and does not exceed the standard for individual permits listed above, shall obtain a standard general permit pursuant to Chapter 40E-40, F.A.C.

(3) Notwithstanding the provisions of subsections (1) and (2):

(a) The Governing Board has, in Rules 40E-41.023, 40E-41.123, 40E-41.223, and 40E-41.323, F.A.C., designated specific geographic areas in which additional surface water management criteria are necessary in order to ensure that construction, alteration, operation, maintenance, removal or abandonment of surface water management systems is not harmful to the water resources.

(b) Phases within a conceptually approved project shall be processed as standard general permits provided:

1. The proposed activity is consistent with the conceptual approval permit;
2. The approved conceptual plan includes the location and acreage of wetlands onsite, an assessment of wetland impacts, and a conceptual mitigation plan (if required); and
3. The approved conceptual plan includes the approximate size, location, and discharge points of the proposed stormwater management system.

Rulemaking Authority 373.044, 373.113, 373.406(5) FS. Law Implemented 373.118(1), 373.413(1) FS. History—New 10-3-95,

Amended 5-28-00, 6-26-02, 4-14-03.

40E-4.042 Formal Determination of Wetlands and Other Surface Waters.

(1) In accordance with subsection 373.421(2), F.S., a real property owner, an entity that has the power of eminent domain, or any other person who has a legal or equitable interest in real property may petition the District for a formal determination of the landward boundaries of wetlands and other surface waters on that property as defined in Chapter 62-340, F.A.C., and ratified by Section 373.4211, F.S.

(2) The Executive Director is delegated the authority of the Governing Board to take final action on petitions for formal wetland and other surface water determinations.

(3) The process and procedures for filing a petition for a formal determination of wetlands and other surface waters are set forth in Section 4.5 of the "Basis of Review for Environmental Resource Permit Applications Within the South Florida Water Management District", incorporated by reference in Rule 40E-4.091, F.A.C.

(4) A formal determination shall be binding for five years provided physical conditions on the property do not change so as to alter the boundaries of the wetlands or other surface waters during that period.

(5) In accordance with Section 373.421(4), F.S., a formal determination may be revoked upon a finding that the petitioner submitted inaccurate information to the District.

Rulemaking Authority 373.043, 373.113, 373.421(2) FS. Law Implemented 373.421(2) FS. History--New 10-3-95, Amended 7-22-07.

40E-4.051 Exemptions From Permitting.

The District will exempt from regulation under Section 373, Part IV, F.S., those activities that the District determines will have only minimal or insignificant individual or cumulative adverse impacts on the water resources of the district. Exemptions from permitting under Chapters 40E-4, 40E-40 and 40E-400, F.A.C., are set forth below. The performance of activities pursuant to the provisions of the exemptions set forth in this section does not relieve the person or persons who are using the exemption or who are constructing or otherwise implementing the activity from meeting the permitting or performance requirements of other District rules. Nothing in this section shall prohibit the Department of Environment Protection from taking appropriate enforcement action pursuant to Chapter 403, F.S., to abate or prohibit any activity otherwise exempt from permitting pursuant to this section if the Department can demonstrate that the exempted activity has caused water pollution in violation of Chapter 403, F.S.

(1) Pipes or Culverts. The repair or replacement of existing functional pipes or culverts the purpose of which is the discharge or conveyance of stormwater. In all cases, the invert elevation, the diameter, and the length of the culvert shall not be changed. However, the material used for the culvert may be different from the original material. This exemption does not authorize the repair, replacement, or alteration of dam's spillways or appurtenant works, nor construction activities or procedures that cause violation of water quality standards as set forth in Chapter 62-302 and Rule 62-4.242, F.A.C.

(2) Maintenance of Systems.

(a) The performance of maintenance dredging of existing manmade canals, channels, basins, berths, and intake and discharge structures, where the spoil material is to be removed and deposited on a self-contained, upland spoil site which will prevent the escape of the spoil material and return water from the spoil site into wetlands or other surface waters, provided no more dredging is performed than is necessary to restore the canal, channels, basins, berths, and intake and discharge structures to original design specifications, and provided that control devices are used at the dredge site to prevent turbidity and toxic or deleterious substances from discharging into adjacent waters during maintenance dredging. This exemption shall apply to all canals constructed before April 3, 1970, and to those canals constructed on or after April 3, 1970, pursuant to all necessary state permits. This exemption shall not apply to the removal of a natural or manmade barrier separating a canal or canal system from adjacent wetlands or other surface waters. Where no previous permit has been issued by the Board of Trustees of the Internal Improvement Trust Fund, the Department, the District or the United States Army Corps of Engineers for construction or maintenance dredging of the existing manmade canal, channel, basin, berth or intake or discharge structure, such

maintenance dredging shall be limited to a depth of no more than 5 feet below mean low water.

(b) The maintenance of functioning insect control structures, and the maintenance of functioning dikes and functioning irrigation and drainage ditches, including roadway drainage ditches, provided:

1. The spoil material is deposited on a self-contained upland spoil site which will prevent the escape of the spoil material and return water into wetlands or other surface waters.

2. In the case of insect control structures, if the cost of using a self-contained upland spoil site is so excessive as determined by the Department of Health, pursuant to subsection 403.088(1), F.S., that it will inhibit the proposed insect control, existing spoil sites or dikes may be used, upon notification to the District. In the case of insect control where upland spoil sites are not used pursuant to this exemption, turbidity control devices shall be used to confine the spoil material discharge to that area previously disturbed when the receiving body of water is used as a potable water supply, is designated as approved, conditionally approved, restricted or conditionally restricted waters for shellfish harvesting by the Department, or functions as a habitat for commercially or recreationally important shellfish or finfish.

3. In all cases, no more dredging is to be performed than is necessary to restore the dike or irrigation or drainage ditch to its original design specifications.

4. This exemption shall apply to manmade trenches dug for the purpose of draining water from the land or for transporting water for use on the land and which are not built for navigational purposes.

(c) Maintenance of minor silvicultural surface water management systems as described in subsection 40E-400.500(4), F.A.C., which were permitted under Part IV of Chapter 373, F.S., or were constructed prior to the requirements for a permit under this part, provided such maintenance is conducted in accordance with the performance standards set forth in subsection 40E-400.500(5), F.A.C.

(d) The restoration of less than 100 feet in length of existing insect control impoundment dikes and the connection of such impoundments to tidally influenced waters. Such impoundments shall be connected to tidally influenced waters for at least 6 months each year, beginning September 1 and ending February 28. The connection shall be of sufficient cross-sectional area to allow beneficial tidal influence. Restoration shall involve no more dredging than needed to restore the dike to original design specifications, and the final elevation of the dredge area shall be within two feet of immediately adjacent bottom elevations. For the purposes of this paragraph, restoration shall not include maintenance of impoundment dikes of insect control impoundments.

(3) Docking Facilities and Boat Ramps.

(a) The construction, replacement or repair of mooring pilings and dolphins associated with private docking facilities.

(b) The installation or repair of private docks, piers and recreational docking facilities, or piers and recreational docking facilities of local governmental entities when the local governmental entity's activities will not take place in any manatee habitat, and of which docks have 1000 square feet or less of surface area over wetlands or other surface waters, or 500 square feet or less of surface area over wetlands or other surface waters for docks which are located in Outstanding Florida Waters. This exemption shall include the construction and repair of structures above the dock area, such as boat shelters and gazebos, provided such structures are not enclosed with walls and doors, are not used for residential or commercial purposes, or storage of materials other than those associated with recreational use, and provided the structures do not exceed, together with the docking facility, the total area limitations, above. To qualify for this exemption, any such structure:

1. Shall be used for recreational, non-commercial activities;

2. Shall be constructed or held in place by pilings, including floating docks, so as not to involve filling or dredging other than necessary to install the pilings;

3. Shall not substantially impede the flow of water or create a navigational hazard; and

4. Shall be the sole dock constructed pursuant to this exemption as measured along the shoreline for a minimum distance of 65 feet, unless the parcel of land or individual lot as platted is less than 65 feet in length along the shoreline, in which case there may be one exempt dock allowed per parcel or lot. For the purposes of this paragraph, multi-family living complexes and other types of complexes or facilities associated with the proposed private dock

shall be treated as one parcel of property regardless of the legal division of ownership or control of the associated property. Construction of a dock under this exemption does not require the District to issue a subsequent permit to construct a channel to provide navigational access to the dock. Activities associated with a dock shall include the construction of structures attached to the dock which are only suitable for the mooring or storage of boats (i.e., boatlifts).

(c) Construction of private docks in artificially created waterways where construction will not violate water quality standards, impede navigation, or adversely affect flood control.

(d) The replacement or repair of existing docks, mooring piles or piers, provided:

1. No fill material other than the piles is used;

2. The replaced or repaired dock or mooring pile is in the same location and of the same configuration and dimensions as the dock or mooring pile being replaced or repaired; and

3. The dock or mooring pile must be functional and able to provide access to boats moored at the dock or pile before this exemption may be used unless such dock or mooring pile has been rendered non-functional by a discrete event such as a storm, flood, accident, or fire.

(e) The construction and maintenance to design specifications of boat ramps on artificial bodies of water where navigational access to the proposed ramp exists, or the construction and maintenance to design specifications of boat ramps open to the public in any wetlands or other surface waters where navigational access to the proposed ramp exists and where the construction of the proposed ramp will be less than 30 feet wide and will involve the removal of less than 25 cubic yards of material from the wetlands or other surface waters, and the installation of docks with an area of 500 square feet or less over wetlands or other surface waters that are associated with and adjoining the boat ramps constructed pursuant to this exemption. All material removed shall be placed upon a self-contained upland site so as to prevent the escape of the spoil material and return water from the spoil site into the wetlands or other surface waters. For the purpose of this exemption, artificial bodies of water shall include residential canal systems, canals permitted by a District created under Section 373.069, F.S., and artificially created portions of the Florida Intracoastal Waterway.

(4) Shore Stabilization.

(a) Construction of seawalls or riprap, including only that backfilling needed to level the land behind seawalls or riprap, in artificially created waterways, where such construction will not violate existing water quality standards, impede navigation or adversely affect flood control. An artificially created waterway is defined as a body of water that has been totally dredged or excavated and which does not overlap natural wetlands or other surface waters. For the purpose of this exemption, artificially created waterways shall also include existing residential canal systems. This exemption does not apply to the construction of vertical seawalls in estuaries or lagoons unless the proposed construction is within an existing man-made canal where the shoreline is currently occupied in whole or in part by vertical seawalls.

(b) The restoration of a seawall or riprap at its previous location or upland of or within 18 inches waterward of its previous location, as measured from the face of the existing seawall slab to the face of restored seawall slab or from the front slope of the existing riprap to the front slope of the restored riprap. No filling can be performed except in the actual restoration of the seawall or riprap. No construction shall be undertaken without necessary title or leasehold interest, especially where private and public ownership boundaries have changed as a result of natural occurrences such as accretion, reliction and natural erosion. This exemption shall be limited to functioning seawalls or riprap. This exemption shall not affect the permitting requirements of Chapter 161, F.S.

(c) The construction of seawalls or riprap in wetlands or other surface waters, where such construction is between and adjoins at both ends existing seawalls or riprap, follows a continuous and uniform construction line with the existing seawalls or riprap, is no more than 150 feet in length, does not violate state water quality standards, impede navigation, or adversely affect flood control. However, this exemption shall not affect the permitting requirements of Chapter 161, F.S. In estuaries and lagoons, construction of vertical seawalls is limited to the circumstances and purposes stated in Sections 373.414(5)(b)1.-4., F.S.

(5) Transmission and Distribution Lines and Utility Poles.

(a) The installation of subaqueous transmission and distribution lines laid on, or embedded in, the bottoms of wetlands or other surface waters, except in Class I and Class II waters and aquatic preserves, provided that no dredging or filling is necessary.

(b) The replacement or repair of subaqueous transmission and distribution lines laid on, or embedded in, the bottoms of wetlands or other surface waters.

(c) Activities necessary to preserve, restore, repair, remove, or replace an existing communication or power pole or line, provided that the work does not involve dredge and fill activities other than the removal of the existing structure and the installation of the new structure, and, in the case of a power pole or line, the activity does not increase the voltage of existing power lines. An activity does not qualify to use this exemption if it results in relocation of an existing structure or facility more than 10 feet in any direction from its original location, or if it involves construction of new power or telephone lines or the repair and replacement of existing structures that require dredge and fill activities in order to provide access to the site.

(d) The installation, removal, and replacement of utility poles that support telephone or communication cable lines, or electric distribution lines of 35kV or less, together with the bases and anchoring devices to support those poles, as specified below. For the purpose of this exemption, "anchoring device" shall mean steel guy wires fastened to the ground, without the need for dredging, and "base" shall mean a concrete or steel foundation not exceeding four feet in radius, used to support a utility pole. This exemption shall be subject to the following conditions:

1. No more than 15 utility poles may be installed, removed, or replaced in wetlands;
2. This exemption shall not apply in surface waters other than wetlands;
3. The temporary disturbance to wetlands shall be limited to a length of 0.5 miles, an areal extent of 0.5 acre, and a width of 30 feet to access the site to actually install, remove, or replace the utility poles; thereafter, maintenance of the utility right-of-way in wetlands shall be limited to a cleared corridor that does not exceed a total width of 15 feet and a total area of 0.25 ac.;
4. This exemption shall not apply in forested wetlands located within 550 feet from the mean or ordinary high water line of a named waterbody that is designated as an Outstanding Florida Water or an Outstanding National Resource Water, or to activities in any Aquatic Preserves;
5. There shall be no permanent placement of fill other than utility poles and anchoring devices;
6. There shall be no dredging or filling of fill pads or access roads except for temporary mats, which may be used to access pole installation sites, and all temporary mats shall be removed within thirty days after the installation, removal or replacement of the utility poles, associated bases, and anchoring devices;
7. The installation of the utility pole(s) and associated bases and anchoring devices shall not interfere with navigation or impede water flow in wetlands;
8. Turbidity, sedimentation, and erosion shall be controlled during and after construction to prevent violations of state water quality standards due to construction related activities;
9. Except for the permitted structures, pre-construction ground elevations and the contours of all soils that are disturbed by construction activities, including vehicle ruts in wetlands, shall be restored within 30 days of completion of the installation of the utility line or cable, and restored grades shall be stabilized within 72 hours following completion of elevation and contour restoration to minimize erosion;
10. Vehicle usage in wetlands shall be conducted so as to minimize tire rutting and erosion impacts;
11. Water jets shall not be used except for those which are a pre-engineered part of the pole, and provided that the water for the jets is either recirculated on-site or is discharged in a self-contained upland disposal site;
12. Vehicular access in wetlands shall be limited to existing roads, trails, rights-of-way or easements, and to other previously disturbed corridors where they exist; and
13. The permittee shall provide an annual report to the District which summarizes the activities conducted under this exemption for the period from January 1 to December 31 of each year, including: the acreage of temporary impacts in wetlands resulting from the use of temporary mats and the clearing of wetland vegetation; the extent of permanent impacts to wetlands including the number of poles and structures in wetlands and the acreage of clearing in wetlands; the voltage of all electric lines that are installed; the number of times this exemption is used; the

specific location of each line that is installed (including the county, the section, township, and range, and the identity of permanent landmarks such as roads and named wetlands and other surface waters within or adjacent to the work location), and the number of times and locations where water jets are used.

(6) Bridges, Driveways and Roadway Crossings.

(a) The replacement or repair of existing open-trestle foot bridges and vehicular bridges that are 100 feet or less in length and two lanes or less in width, provided:

1. No more dredging or filling in wetlands or other surface waters is performed than that necessary to replace or repair pilings;

2. The structure to be replaced or repaired is the same length, the same configuration, and in the same location as the original bridge; and

3. No debris from the original bridge shall be allowed to remain in wetlands or other surface waters.

(b) The construction or maintenance of culverted driveway or roadway crossings and bridges of artificial waterways, provided:

1. This exemption shall apply only to wholly artificial, non-navigable drainage conveyances;

2. The construction project area shall not exceed one acre, and the construction shall be for a discrete project that is not part of a larger plan of development which requires permitting under Chapters 40E-400, 40E-40, 40E-4, F.A.C., or this chapter;

3. The artificial waterway in existing condition shall be not more than 4 feet deep, measured from the top of bank to the bottom of the artificial waterway;

4. The person performing the exempt activity shall ensure that the size and capacity of the culvert will be adequate to pass normal high water stages of the artificial waterway without causing adverse impacts to upstream or downstream property, but the culvert shall not be larger than one 24 inch diameter pipe, or its equivalent; and in no instance shall the culvert(s) provide a smaller cross-sectional area or discharge capacity than any upstream culvert;

5. The elevation of the culvert invert shall be at the existing bottom grade of the artificial waterway;

6. The length of the driveway or roadway crossing the waterway shall not exceed 30 feet from top of bank to top of bank;

7. The top width of the driveway or roadway shall not exceed 20 feet, the toe to toe width shall not exceed 40 feet, and side slopes shall be no steeper than 3 feet horizontal to 1 foot vertical;

8. Clean fill used for the crossing shall be obtained from an upland borrow pit or from a dredge site that is in compliance with the permitting requirements of Part IV, Chapter 373, F.S., either through a permit or exemption issued by the District;

9. There shall be no additional dredging, filling, or construction activities within the artificial waterway or project area, except those directly involved in the construction or operation and maintenance of the culverted crossing and those exempted from regulation under Part IV, Chapter 373, F.S.;

10. All temporary fill in construction areas shall be removed and regraded to original elevations and revegetated;

11. The person performing the exempt activity shall implement measures for erosion and pollution control using best management practices, including turbidity curtains or similar devices and other site specific practices, in strict adherence to the Florida Department of Transportation's "Standard Specifications for Road and Bridge Construction," and Chapter 6 of the Department's "Florida Development Manual," to prevent violations of state water quality standards. Temporary erosion controls shall be implemented prior to and during construction, and permanent erosion control measures for all exposed soils shall be completed within 7 calendar days of the most recent construction activity;

12. Any spoil material from construction or maintenance shall be used or disposed of on an upland portion of the property or shall be transported off site and deposited on a self-contained upland spoil site that is in compliance with the permitting requirements of Chapters 40E-4 and 40E-40, F.A.C., as applicable;

13. If dewatering is performed, all temporary fill dikes and dewatering discharges shall be installed and constructed so that no upstream flooding or impoundment occurs and to prevent siltation, erosion or turbid

discharges in violation of state water quality standards. Any temporary works shall be completely removed, and all areas upstream and downstream from the crossing shall be restored to grades, elevations and conditions which existed before the construction;

14. This exemption shall apply only to a maximum of 2 crossings on any total land area of property with a minimum distance of 500 feet between crossings; and

15. This exemption shall not apply to activities involving relocation or other alteration of all or part of the artificial waterway, or construction for other than the proposed culvert crossing.

(7) Aids to Navigation.

The installation of aids to navigation, including bridge fender piles, "No Wake" and similar regulatory signs, and buoys associated with such aids, provided that the devices are marked in accordance with Section 327.40, F.S.

(8) Construction of Freshwater Fish Attractors.

Construction of freshwater fish attractors by Florida Fish and Wildlife Commission, U.S. Forest Service, and county and municipal governments, provided that the material to be used shall be clean concrete, rock, brush, logs, or trees, and shall be free of soils, preservatives, oil, grease, debris, litter, putrescible substances, "white goods," asphalt materials, tires, or other pollutants, and shall be firmly anchored to the bottom of the waterbody. The size of an individual fish attractor shall not exceed one quarter of an acre in area. The material shall be placed so that the top of the fish attractor is at least three (3) feet below the surface of the water at ordinary low water and shall be outside any posted navigational channels. No fish attractor material shall be placed on or in areas vegetated by native aquatic vegetation. The site shall be marked with a buoy or buoys to ensure that no material is deposited outside of the site.

(9) Installation of Piling Support Structures Associated With Water Testing or Monitoring Equipment by the Department or the District. Installation of piling support structures associated with water testing or monitoring equipment by the Department and Water Management Districts, provided that flow or navigation are not impeded.

(10) Agriculture, silviculture, floriculture, and horticulture as specified in Section 373.406(2) and (3), F.S., provided that:

(a) Alteration of the topography of any tract of land for purposes consistent with the practice of agriculture, silviculture, floriculture and horticulture, provided such alteration may not be for the sole or predominant purpose of impounding or obstructing surface waters.

(b) Construction, operation, or maintenance of any agricultural closed system. This exemption does not eliminate the necessity to meet generally accepted engineering practices for construction, operation, and maintenance of dams, dikes, or levees.

(11) Minor Roadway Safety Projects.

The construction of the following minor roadway safety projects provided that the capacity of existing swales, ditches, or other stormwater management systems is not reduced; the projects are not located within wetlands or other surface waters; and the projects include best management practices during construction to prevent secondary impacts in adjacent wetlands or other surface waters due to erosion and sedimentation:

(a) Sidewalks.

(b) Turnlanes less than 0.25 miles in length and other intersection improvements,

(c) Road widening and shoulder paving projects which do not result in the creation of additional traffic lanes.

(12) Recreational Paths.

Recreational paths that are not located within wetlands or other surface waters; include best management practices during construction to prevent secondary impacts in adjacent wetlands or other surface waters due to erosion and sedimentation; that have a width of eight feet or less for unidirectional paths and twelve feet or less for bidirectional paths; and which do not allow motorized vehicles powered by internal combustion engines except for maintenance and emergency vehicles.

Rulemaking Authority 373.044, 373.113, 373.171 FS. Law Implemented 373.406, 373.413, 373.416, 373.813(1), 403.813(1) FS. History—New 9-3-81, Amended 1-31-82, 3-9-83, Formerly 16K-4.02, Amended 4-20-94, 10-3-95, 5-28-00, 9-2-01, 4-14-03, 9-9-07.

40E-4.0515 Exemptions From Specified Review Criteria.

Exemptions from specified review criteria under Chapters 40E-4 and 40E-40, F.A.C., are as follows:

(1) Exemptions for Treatment or Disposal Systems.

(a) Alteration and maintenance of the following shall be exempt from the provisions in Chapter 40E-4, F.A.C., adopted to implementing subsections 373.414(1) through 373.414(6), 373.414(8), and 373.414(10), F.S.; and subsection 373.414(7), F.S., regarding any authority to apply state water quality standards within any works, impoundments, reservoirs, and other watercourses described in this subsection and any authority granted pursuant to Section 373.414, F.S. (1991):

1. Works, impoundments, reservoirs, and other watercourses constructed and operated solely for wastewater treatment or disposal in accordance with a valid permit reviewed or issued under Rule 62-302.520 or Chapters 62-17, 62-600, 62-610, 62-640, 62-650, 62-660, 62-670, 62-671, 62-673, 62-701, F.A.C., or Section 403.0885, F.S., or rules implementing Section 403.0885, F.S., except for treatment wetlands or receiving wetlands permitted to receive wastewater pursuant to Chapter 62-611, F.A.C., or Section 403.0885, F.S., or its implementing rules;

2. Works, impoundments, reservoirs, and other watercourses constructed solely for wastewater treatment or disposal before a construction permit was required under Chapter 403, F.S., and operated solely for wastewater treatment or disposal in accordance with a valid permit reviewed or issued under Rule 62-302.520, or Chapters 62-17, 62-600, 62-610, 62-640, 62-650, 62-660, 62-670, 62-671, 62-673, or 62-701, F.A.C., or Section 403.0885, F.S., or rules implementing Section 403.0885, F.S., except for treatment wetlands or receiving wetlands permitted to receive wastewater pursuant to Chapter 62-611, F.A.C., or Section 403.0885, F.S., or its implementing rules;

3. Works, impoundments, reservoirs, and other watercourses of less than 0.5 acres in combined area on a project-wide basis, constructed and operated solely for stormwater treatment in accordance with a noticed exemption under Chapter 62-25, F.A.C., or a valid permit issued under Chapters 62-25 (excluding Rule 62-25.042), 62-330, 40E-4, F.A.C., except those permitted as wetland stormwater treatment systems;

4. Works, impoundments, reservoirs, and other watercourses of less than 0.5 acres in combined areas on a project-wide basis, constructed and operated solely for stormwater treatment before a permit being required under Chapters 62-25 and 40E-4, F.A.C.

(b) Alteration and maintenance of the following shall be exempt from the provisions in Chapter 40E-4, F.A.C., adopted to implement Sections 373.414(1), 373.414(2)(a), 373.414(8), and 373.414(10), F.S.; and Sections 373.414(3) through 373.414(6), F.S.; and Section 373.414(7), F.S., regarding any authority to apply state water quality standards within any works, impoundments, reservoirs, and other watercourses described in this subsection and any authority granted pursuant to Section 373.414, F.S. (1991), except for authority to protect threatened and endangered species in isolated wetlands:

1. Works, impoundments, reservoirs, and other watercourses of 0.5 acre or greater in combined areas on a project-wide basis, constructed and operated solely for stormwater treatment in accordance with a noticed exemption under Chapter 62-25, F.A.C., or a valid permit issued under Chapters 62-25 (excluding Rule 62-25.042), 62-330, 40E-4, F.A.C., except those permitted as wetland stormwater treatment systems.

2. Works, impoundments, reservoirs, and other watercourses of 0.5 acres or greater in combined area on a project-wide basis, constructed and operated solely for stormwater treatment before a permit was required under Chapters 62-25 and 40E-4, F.A.C.

(c) The exemptions in paragraphs (a) and (b) above shall not apply to works, impoundments, reservoirs or other watercourses that are:

1. Currently wetlands which existed before construction of the stormwater treatment system and were incorporated in it;

2. Being altered through expansion into wetlands or other surface waters; or

3. Wetlands created, enhanced or restored as mitigation for wetland or other surface water impacts under a permit issued by the Department or the District.

(d) Alterations and maintenance of works, impoundments, reservoirs and other watercourses exempt under this subsection shall not be considered in determining whether the wetland permitting threshold in Rule 40E-4.0415 or

subsection 40E-40.302(2), F.A.C., are met or exceeded.

(e) Works, impoundments, reservoirs and other watercourses exempt under this subsection, other than isolated wetlands in systems described in paragraph (b) above, shall not be delineated under Section 373.421, F.S.

(f) This exemption shall not affect the application of state water quality standards, including those applicable to Outstanding Florida Waters, at the point of discharge to waters as defined in subsection 403.031(13), F.S.

(g) As used in this subsection, “solely for” means the reason for which a work, impoundment, reservoir, or other watercourse is constructed and operated, and such construction and operation would not have occurred but for the purposes identified in paragraphs (a) and (b) above. Furthermore, the phrase does not refer to a work, impoundment, reservoir, or other watercourse constructed or operated for multiple purposes. Incidental uses, such as occasional recreational uses, will not render the exemption inapplicable, so long as the incidental uses are not part of the original planned purpose of the work, impoundment, reservoir or other watercourse. However, for those works, impoundments, reservoirs, or other watercourses described in subparagraphs (a)3. and (b)1., use of the system for flood attenuation, whether originally planned or unplanned, shall be considered an incidental use so long as the works, impoundments, reservoirs, and other watercourses are no more than two acres larger than the minimum area required to comply with the applicable stormwater treatment requirements of Chapters 40E-4, 62-25 and 62-330, F.A.C. For the purposes of this subsection, reuse from a work, impoundment, reservoir, or other watercourse is part of treatment or disposal.

(2) Surface Waters or Wetlands Created by Mosquito Control Activities. Construction, alteration, operation, maintenance, removal, and abandonment of stormwater management systems, dams, impoundments, reservoirs, appurtenant works, or works, in, on, or over lands that have become surface waters or wetlands solely because of mosquito control activities undertaken as a part of a governmental mosquito control program, and which lands were neither surface water or wetlands before such activities, shall be exempt from the provisions in this Chapter adopted by the District to implement Sections 373.414(1) through (6); 373.414(7), F.S., regarding any authority granted pursuant to Sections 373.414, F.S. (1991); 373.414(8) and 373.414(10), F.S.

(3) The performance of activities in accordance with the provisions of the exemptions set forth in this section does not relieve the person or persons who are using the exemption or who are constructing or otherwise implementing the activity from meeting the permitting or performance requirements of other District rules.

Rulemaking Authority 373.044, 373.113, 373.171 FS. Law Implemented 373.406, 373.413, 373.416, 403.813(2) FS. History—New 10-3-95, Amended 5-28-00.

40E-4.052 Request for Exemption.

Rulemaking Authority 373.044, 373.113 FS. Law Implemented 373.406, 373.413 FS. History—New 3-9-83, Repealed 4-20-94.

40E-4.053 Conditions for Exemption.

Rulemaking Authority 373.044, 373.113 FS. Law Implemented 373.406, 373.413 FS. History—New 3-9-83, Repealed 4-20-94.

40E-4.054 Modification of Exempt Projects.

In order to modify a project which was exempt from permitting under this chapter, an environmental resource permit must be obtained, unless the proposed modification of the surface water management system qualifies for an exemption pursuant to Rule 40E-4.051, F.A.C.

Rulemaking Authority 373.044, 373.113 FS. Law Implemented 373.406, 373.413, 373.416 FS. History—New 3-9-83, Amended 4-20-94, 10-3-95, 5-28-00.

40E-4.091 Publications, Rules and Interagency Agreements Incorporated by Reference.

(1) The following publications, rules and interagency agreements are incorporated by reference into this chapter, Chapters 40E-40, 40E-41 and 40E-400, F.A.C.:

(a) “Basis of Review for Environmental Resource Permit Applications within the South Florida Water

Management District, effective date July 4, 2010”, which incorporates the following forms by reference:

1. Form No. 1190, Deed of Conservation Easement (Standard), effective date January 23, 2007;
2. Form No. 1191, Deed of Conservation Easement (Standard Passive Recreational), effective date January 23, 2007;
3. Form No. 1192, Deed of Conservation Easement (Standard Riparian), effective date January 23, 2007;
4. Form No. 1194, Deed of Conservation Easement (Third Party Standard), effective date January 23, 2007;
5. Form No. 1195, Deed of Conservation Easement (Third Party Passive Recreational), effective date January 23, 2007;
6. Form No. 1196, Deed of Conservation Easement (Third Party Riparian), effective date January 23, 2007;
7. Form No. 1197, Restrictive Covenant (Standard), effective date January 23, 2007;
8. Form No. 1318, Deed of Conservation Easement (Local Governments), effective date July 4, 2010;
- (b) 50 Code of Federal Regulations, section 17.12; and Rules 68A-27.003, 68A-27.004 and 68A-27.005, F.A.C.
- (c) Operating Agreement Concerning Regulation Under Part IV, Chapter 373, F.S., between South Florida Water Management District and Department of Environmental Protection, effective July 1, 2007.
- (d) State water quality standards set forth in Chapters 62-4, 62-302, 62-520, 62-522 and 62-550, F.A.C.
- (e) Chapter 62-312, Part IV, F.A.C., “Additional Criteria for Dredging and Filling Within Outstanding Florida Waters in Monroe County”.
- (f) 40 Code of Federal Regulations, section 264.143(f), for the purpose of providing financial responsibility and corporate guarantee requirements.
- (g) Chapter 6 of the Florida Land Development Manual: A Guide to Sound Land and Water Management (Florida Department of Environmental Protection, 1988).
- (h) Chapter 62-340, F.A.C., as ratified by Section 373.4211, F.S., for the purpose of delineating wetlands and other surface waters.
- (i) Chapter 3, Roadside Design Guide (American Association of State Highway and Transportation Officials, October, 1988).
- (j) 30 Code of Federal Regulations, section 800.23 for the purpose of providing self-bonding requirements.
- (k) Delegation Agreement among the Florida Department of Environmental Protection, the South Florida Water Management District, and Broward County, (dated May 22, 2001).
- (2) The documents listed in subsection (1) are available online at www.sfwmd.gov or can be obtained at no cost by contacting the District Clerk’s Office, South Florida Water Management District, 3301 Gun Club Road, West Palm Beach, FL 33406, (800) 432-2045, ext. 6436, or (561) 682-6436.

Rulemaking Authority 373.044, 373.103(8), 373.113, 373.171, 373.413, 373.441, 668.003, 668.004, 668.50, 704.06 FS. Law Implemented 373.413, 373.4135, 373.4137, 373.414, 373.4142, 373.416, 373.418, 373.421, 373.426, 373.441, 668.003, 668.004, 668.50, 704.06 FS. History—New 9-3-81, Amended 1-31-82, 12-1-82, Formerly 16K-4.035(1), Amended 5-1-86, 7-1-86, 3-24-87, 4-14-87, 4-21-88, 11-21-89, 11-15-92, 1-23-94, 4-20-94, 10-3-95, 1-7-97, 12-3-98, 5-28-00, 8-16-00, 1-17-01, 7-19-01, 6-26-02, 6-26-02, 4-6-03, 4-14-03, 9-16-03, 12-7-04, 2-12-06, 10-1-06, 11-20-06, 1-23-07, 7-1-07, 7-22-07, 11-11-09, 7-1-10, 7-4-10.

40E-4.101 Content of Permit Applications.

(1) Applications for permits required by this chapter shall be filed with the District Service Center which will review the application as set forth in Rule 40E-1.6025, F.A.C. or filed electronically at the District’s e-Permitting website. The application shall contain:

- (a) The information required in Section 373.413(2), F.S.
- (b) One original and four copies of Joint Water Management District/Department of Environmental Protection/U.S. Army Corps of Engineers Environmental Resource Permit Application Form No. 0971 and five copies of drawings, calculations, environmental information, and engineering details sufficient to define the nature, scope, intent and functioning of the work proposed. This information must include at a minimum: flood protection, water quality, environmental impacts, proposed mitigation, water supply, and water conservation elements. Applicants who file an application electronically are not required to submit copies.

(2) The application must be signed by the owner or the owner's authorized agent and include documentation of ownership. Applications signed by agents must contain a letter of authorization which is signed by the owner. Those having the right to exercise the power of eminent domain or having a contract to purchase real property may apply for a permit, however, the permit shall prohibit commencement of work until the permittee provides proof of ownership to the District. A permit shall only be issued to the record title holder, holder of a recorded easement conveying the right to utilize the property for a purpose consistent with the authorization requested in the permit application, those having the right to exercise the power of eminent domain or having a contract to purchase real property. A Notice of Environmental Resource or Surface Water Management Permit Form No. 1189 shall be recorded in the public records of the county where the property is located. This notice shall not be considered an encumbrance upon the property.

(3) Environmental resource permit applications shall be filed and processed in accordance with Chapters 120 and 373, F.S., following the procedures set forth in Chapter 40E-1, F.A.C., and utilizing the forms incorporated by reference into Rule 40E-1.659, F.A.C.

(4) Applicants are advised that Chapter 471, F.S., sets forth certification requirements for engineering activities. Where required by law or District rule, surface water management system design plans must be signed and sealed by a professional engineer or other individual authorized by law. Chapter 471, F.S., sets forth exemptions to engineer certification.

Rulemaking Authority 373.016, 373.044, 373.113, 373.171, 668.003, 373.416, 668.004, 668.50 FS. Law Implemented 373.016, 373.117, 373.413, 373.416, 373.426, 668.003, 668.004, 668.50 FS. History—New 9-3-81, Amended 1-31-82, 12-1-82, Formerly 16K-4.03(2), 16K-4.07(2), 16K-4.09(2), Amended 7-1-86, 11-21-89, 4-20-94, 10-3-95, 5-28-00, 4-14-03, 8-14-03, 2-12-06, 10-1-06.

40E-4.201 Forms and Instructions.

(1) District forms and instructions have been approved by the Governing Board and are listed in Rule 40E-1.659, F.A.C.

(2) Forms and instructions are available from District Service Centers upon request.

Rulemaking Authority 120.53(1), 373.044, 373.113, 373.118 FS. Law Implemented 120.53(1), 373.044, 373.113, 373.116, 373.118, 373.229, 373.413, 373.421 FS. History—New 10-3-95.

40E-4.205 Permit Application Processing Fees.

There shall be a non-refundable permit application processing fee as specified by Rule 40E-1.607, F.A.C., made payable to the District at the time a conceptual approval, individual or general permit application is submitted.

Rulemaking Authority 373.044, 373.109, 373.113, 373.171, 373.421 FS. Law Implemented 373.109, 373.421 FS. History—New 10-3-95.

40E-4.301 Conditions for Issuance of Permits.

(1) In order to obtain a standard general, individual, or conceptual approval permit under this chapter or Chapter 40E-40, F.A.C., an applicant must provide reasonable assurance that the construction, alteration, operation, maintenance, removal or abandonment of a surface water management system:

- (a) Will not cause adverse water quantity impacts to receiving waters and adjacent lands;
- (b) Will not cause adverse flooding to on-site or off-site property;
- (c) Will not cause adverse impacts to existing surface water storage and conveyance capabilities;
- (d) Will not adversely impact the value of functions provided to fish and wildlife and listed species by wetlands and other surface waters;
- (e) Will not adversely affect the quality of receiving waters such that the water quality standards set forth in Chapters 62-4, 62-302, 62-520, 62-522 and 62-550, F.A.C., including any antidegradation provisions of paragraphs 62-4.242(1)(a) and (b), subsections 62-4.242(2) and (3), and Rule 62-302.300, F.A.C., and any special standards for

Outstanding Florida Waters and Outstanding National Resource Waters set forth in subsections 62-4.242(2) and (3), F.A.C., will be violated;

(f) Will not cause adverse secondary impacts to the water resources;

(g) Will not adversely impact the maintenance of surface or ground water levels or surface water flows established pursuant to Chapter 373.042, F.S.;

(h) Will not cause adverse impacts to a work of the District established pursuant to Section 373.086, F.S.;

(i) Will be capable, based on generally accepted engineering and scientific principles, of being performed and of functioning as proposed;

(j) Will be conducted by an entity with the sufficient financial, legal and administrative capability to ensure that the activity will be undertaken in accordance with the terms and conditions of the permit, if issued; and

(k) Will comply with any applicable special basin or geographic area criteria established in Chapter 40E-41, F.A.C.

(2) If the applicant is unable to meet water quality standards because existing ambient water quality does not meet standards, the applicant must comply with the requirements set forth in subsection 4.2.4.5 of the “Basis of Review for Environmental Resource Permit Applications Within the South Florida Water Management District” incorporated by reference in Rule 40E-4.091, F.A.C.

(3) The standards and criteria, including the mitigation provisions, and the provisions for elimination or reduction of impacts, contained in the “Basis of Review for Environmental Resource Permit Applications Within the South Florida Water Management District”, incorporated by reference in Rule 40E-4.091, F.A.C., shall determine whether the reasonable assurances required by subsection 40E-4.301(1) and Rule 40E-4.302, F.A.C., have been provided.

(4) For all environmental resource permit applications and permit applications under subsections 373.414(11)-(16), F.S., which involve activities located on submerged lands owned by the Board of Trustees of the Internal Improvement Trust Fund under Chapter 253 or 258, F.S., the District shall conduct concurrent application and review procedures in accordance with Section 373.427, F.S., Chapter 18-21, F.A.C., and Rules 62-343.075 and 18-18.014, F.A.C.

Rulemaking Authority 373.044, 373.113 FS. Law Implemented 373.413, 373.416, 373.426 FS. History—New 9-3-81, Amended 1-31-82, 12-1-82, Formerly 16K-4.035(2), 16K-4.30, Amended 7-1-86, 3-24-87, 4-14-87, 7-9-87, 4-21-88, 4-20-94, 10-3-95, 4-1-96, 1-7-97, 7-22-07.

40E-4.302 Additional Conditions for Issuance of Permits.

(1) In addition to the conditions set forth in Rule 40E-4.301, F.A.C., in order to obtain a standard general, individual, or conceptual approval permit under this chapter or Chapter 40E-40, F.A.C., an applicant must provide reasonable assurance that the construction, alteration, operation, maintenance, removal, and abandonment of a system:

(a) Located in, on, or over wetlands or other surface waters will not be contrary to the public interest, or if such an activity significantly degrades or is within an Outstanding Florida Water, that the activity will be clearly in the public interest, as determined by balancing the following criteria as set forth in subsections 4.2.3. through 4.2.3.7 of the “Basis of Review for Environmental Resource Permit Applications Within the South Florida Water Management District”, incorporated by reference in Rule 40E-4.091, F.A.C.:

1. Whether the activity will adversely affect the public health, safety or welfare or the property of others;

2. Whether the activity will adversely affect the conservation of fish and wildlife, including endangered or threatened species, or their habitats;

3. Whether the activity will adversely affect navigation or the flow of water or cause harmful erosion or shoaling;

4. Whether the activity will adversely affect the fishing or recreational values or marine productivity in the vicinity of the activity;

5. Whether the activity will be of a temporary or permanent nature;

6. Whether the activity will adversely affect or will enhance significant historical and archaeological resources under the provisions of Section 267.061, F.S.; and

7. The current condition and relative value of functions being performed by areas affected by the proposed activity.

(b) Will not cause unacceptable cumulative impacts upon wetlands and other surface waters as set forth in subsections 4.2.8. through 4.2.8.2 of the “Basis of Review for Environmental Resource Permit Applications Within the South Florida Water Management District”, incorporated by reference in Rule 40E-4.091, F.A.C.

(c) Located in, adjacent to or in close proximity to Class II waters or located in Class II waters or Class III waters classified by the Department as approved, restricted or conditionally restricted for shellfish harvesting as set forth and incorporated in Chapter 62R-7, F.A.C., will comply with the additional criteria in subsection 4.2.5 of the “Basis of Review for Environmental Resource Permit Applications Within the South Florida Water Management District”, incorporated by reference in Rule 40E-4.091, F.A.C.

(d) Which constitute vertical seawalls in estuaries or lagoons, will comply with the additional criteria provided in subsection 4.2.6 of the “Basis of Review for Environmental Resource Permit Applications Within the South Florida Water Management District”, incorporated by reference in Rule 40E-4.091, F.A.C.

(2) When determining whether the applicant has provided reasonable assurances that District permitting standards will be met, the District shall take into consideration a permit applicant’s violation of any Department rules adopted pursuant to Sections 403.91-929, F.S. (1984 Supp.), as amended, which the District had the responsibility to enforce pursuant to a delegation, or any District rules adopted pursuant to Part IV, Chapter 373, F.S., relating to any other project or activity and efforts taken by the applicant to resolve these violations. The Department’s delegation to the District to enforce the rules adopted pursuant to Sections 403.91-929, F.S. (1984 Supp.), as amended, is set forth in the “Operating Agreement Concerning Regulation Under Part IV, Chapter 373, F.S., between South Florida Water Management District and Department of Environmental Protection” incorporated by reference in Rule 40E-4.091, F.A.C.

Rulemaking Authority 373.044, 373.113, 373.171, 373.414(9) FS. Law Implemented 373.042, 373.409, 373.413, 373.414, 373.416, 373.426, 380.23 FS. History—New 10-3-95, Amended 1-7-97, 12-3-98, 5-28-00, 7-1-07, 7-22-07.

40E-4.303 Environmental Resource Permit Authorization.

(1) For individual and standard general permits issued pursuant to Chapters 40E-4 and 40E-40, F.A.C., a completed permit application shall also constitute an application for certification of compliance with state water quality standards where necessary pursuant to Section 401, Public Law 92-500, 33 USC Section 1341. Issuance of the permit shall constitute certification of compliance with state water quality standards unless the permit is issued pursuant to the net improvement provisions of Section 373.414(1)(b), F.S., or the permit specifically states otherwise.

(2) For projects located in or seaward of coastal counties, and which have regulated activities in, on or over wetlands or other surface waters, as delineated by the methodology ratified pursuant to Section 373.4211, F.S., a complete application for an individual or standard general environmental resource permit shall constitute a request for the State’s concurrence that the project is consistent with the Florida Coastal Zone Management Program as provided in Section 307 of the Coastal Zone Management Act and 15 CFR 930, Subpart D. Issuance of the permit shall constitute such concurrence of consistency.

Rulemaking Authority 373.044, 373.113 FS. Law Implemented 373.413, 373.416, 373.421 FS. History—New 10-3-95.

40E-4.305 Conceptual Approvals.

(1) Conceptual approvals constitute final District action and are binding to the extent that adequate data has been submitted for review by the applicant during the review process.

(2) A conceptual approval does not authorize construction, alteration, operation, maintenance, removal or abandonment of a surface water management system or the establishment and operation of a mitigation bank.

(3) A permit application submitted pursuant to a conceptual approval must be consistent with the staff report

and conditions of the conceptual approval. Primary areas for consistency comparisons include type of land use, percent imperviousness, allowable discharge, wetland and other surface water impacts and proposed mitigation, control elevations, sources of water supply and detention/retention volumes. To the extent that there is any inconsistency between the permit and staff report and other information in the application file, the permit and staff report shall control.

(4) For phased projects, the approval process must begin with an application for a conceptual approval which shall be the first permit issued for the project. An application for construction authorization of the first phase(s) may also be included as a part of the initial application. As the permittee desires to construct additional phases, new applications shall be processed as individual or standard general environmental resource permit applications pursuant to the conceptual approval. The conceptual approval, individual and standard general permits shall be modified in accordance with conditions contained in Chapters 40E-4 and 40E-40, F.A.C.

(5) Issuance of a conceptual approval permit pursuant to Chapter 40E-4, F.A.C., shall not relieve the applicant of any requirements for obtaining a permit to construct, alter, operate, maintain, remove or abandon a surface water management system or establish or operate a mitigation bank, nor shall the conceptual approval permit applicant be relieved of the District's informational requirements or the need to meet the standards of issuance of permits pursuant to Chapters 40E-4 or 40E-40, F.A.C.

(6) An applicant may seek conceptual approval under this chapter concurrently with a Development of Regional Impact (DRI) application for development approval (ADA) and a local government comprehensive plan amendment as allowed by Section 380.06(9)(a)1., F.S. For projects which have filed an application for a Conceptual Approval concurrently with an Application for Development Approval (ADA) for a Development of Regional Impact (DRI), conceptual approval also means "conceptual agency review" as defined in Section 380.06(9)(a)2., F.S.

(7) In the District's evaluation of permit applications, rules and criteria in effect at the time of the issuance of the conceptual approval, or at the time of the most recent modification of the Conceptual Approval, shall apply unless particular aspects of the project were not previously addressed in the Conceptual Approval. In such a case, rules and criteria in effect at the time of the individual or general permit application is completed shall apply to review of the previously unaddressed aspects.

(8) Any delineation of the extent of a wetland or other surface water submitted as part of the permit application, including supporting documentation, shall not be considered binding unless a specific condition of this permit or a formal determination under Rule 40E-4.042, F.A.C., provides otherwise.

(9) An individual environmental resource permit application cannot be used alone to modify a Conceptual Approval. The intention to modify the conceptual approval must be explicitly stated or requested. Conceptual approval and individual environmental resource permits can be modified or issued concurrently under a single application.

(10) Applications for individual project phases, where no conceptual approval has been obtained, shall be considered only when the phases are totally independent of, or make sufficient provisions for, adjacent lands.

Rulemaking Authority 373.044, 373.113, 373.171, 380.06(9) FS. Law Implemented 373.413, 373.416, 373.421(2), 380.06(9) FS. History—New 10-3-95, Amended 4-14-03.

40E-4.311 Variances from Specified Review Criteria for Environmental Resource Permits.

(1) The Governing Board is authorized to grant a variance from the provisions of Section 373.414, F.S., paragraph 40E-4.301(1)(e) or Rule 40E-4.302, F.A.C., pursuant to Section 403.201, F.S. The variance under this rule is provided in addition to the variance and waiver procedures set forth in Rule 28-104, F.A.C., which implements Section 120.542, F.S.

(2) A person seeking a variance must demonstrate that any hardship asserted as a basis of the need for a variance is peculiar to the affected property and not self-imposed and that the grant of a variance will be consistent with the general intent and purpose of this chapter.

(3) Any person seeking a variance shall file a petition for a variance that contains the following information:

(a) The petitioner's name and signature.

(b) The statute or rule from which the variance is sought.

(c) Facts showing that a variance should be granted for one of the reasons set forth in Section 403.201, F.S.

(d) The time period for which the variance is sought, not to exceed the time period permitted by law, including the reasons and facts supporting the time period.

(e) The requirements which the petitioner can meet including the date or time when the requirements will be met.

(f) The steps or measures the petitioner is taking to meet the requirement from which the variance is sought. If the request is pursuant to subsection 40E-4.311(1), F.A.C., above, the petitioner shall include a schedule when compliance will be achieved.

(g) The social, economic and environmental impacts on the applicant, residents of the area and of the state if the variance is granted.

(h) The social, economic and environmental impacts on the applicant, residents of the area and of the state if the variance is denied.

(4) The District shall review the application within a reasonable period of time after receipt to determine if the application is complete. If the application is determined to be incomplete, the applicant shall be afforded an opportunity to supply additional information before the District evaluates the merits of the request.

(5) The District shall prepare a notice of proposed agency action regarding the petition for a variance. The District shall publish this notice one time in the Florida Administrative Weekly, and one time in a newspaper of general circulation, as defined in Section 50.031, F.S., in the county in which the property for which the variance is sought is located.

(6) Renewals of variances shall be applied for in the same manner as the initial variance.

Specific Authority 373.044, 373.113, 373.171, 373.414(17) FS. Law Implemented 403.201 FS. History—New 10-3-95, Amended 7-2-98, 6-12-00.

40E-4.321 Duration of Permits.

(1) Unless revoked or otherwise modified the duration of an environmental resource permit issued under this chapter or Chapter 40E-40, F.A.C., is as follows:

(a) For a conceptual approval, two years from the date of issuance or the date specified as a condition of the permit, unless within that period an application for an individual or standard general permit is filed for any portion of the project. If an application for an environmental resource permit is filed, then the conceptual approval remains valid until final action is taken on the environmental resource permit application. If the application is granted, then the conceptual approval is valid for an additional two years from the date of issuance of the permit. Conceptual approvals which have no individual or standard general environmental resource permit applications filed for a period of two years shall expire automatically at the end of the two year period.

(b) For a conceptual approval filed concurrently with a development of regional impact (DRI) application for development approval (ADA) and a local government comprehensive plan amendment, the duration of the conceptual approval shall be two years from whichever one of the following occurs at the latest date:

1. The effective date of the local government's comprehensive plan amendment,
2. The effective date of the local government development order,
3. The date on which the District issues the conceptual approval, or

4. The date on which the District issues a final order pertaining to the resolution of any Section 120.57, F.S., administrative proceeding or other legal appeals.

(c) For an individual or standard general environmental resource permit, the construction phase authorizing construction, removal, alteration or abandonment of a system shall expire five years from the date of issuance or such amount of time as made a condition of the permit.

(d) For an individual or standard general environmental resource permit, the operational phase of the permit is perpetual for operation and maintenance.

(e) For a noticed general permit issued pursuant to Chapter 40E-400, F.A.C., five years from the date the notice of intent to use the permit is provided to the District.

(2)(a) Unless prescribed by special permit condition, permits expire automatically according to the timeframes indicated in this rule. If application for extension is made by electronic mail at the District's e-Permitting website or in writing pursuant to subsection (3), the permit shall remain in full force and effect until:

1. The Governing Board takes action on an application for extension of an individual permit, or
2. Staff takes action on an application for extension of a standard general permit.

(b) Installation of the project outfall structure shall not constitute a vesting of the permit.

(3) The permit extension shall be issued provided that a permittee files a written request with the District showing good cause prior to the expiration of the permit. For the purpose of this rule, good cause shall mean a set of extenuating circumstances outside of the control of the permittee. Requests for extensions, which shall include documentation of the extenuating circumstances and how they have delayed this project, will not be accepted more than 180 days prior to the expiration date.

(4) Substantial modifications to Conceptual Approvals will extend the duration of the Conceptual Approval for two years from the date of issuance of the modification. For the purposes of this section, the term "substantial modification" shall mean a modification which is reasonably expected to lead to substantially different water resource or environmental impacts which require a detailed review.

(5) Substantial modifications to individual or standard general environmental resource permits issued pursuant to a permit application extend the duration of the permit for three years from the date of issuance of the modification. Individual or standard general environmental resource permit modifications do not extend the duration of a conceptual approval.

(6) Permit modifications issued pursuant to paragraph 40E-4.331(2)(b), F.A.C. (letter modifications) do not extend the duration of the permit.

(7) Failure to complete construction or alteration of the surface water management system and obtain operation phase approval from the District within the permit duration shall require a new permit authorization in order to continue construction unless a permit extension is granted.

Rulemaking Authority 373.044, 373.113, 668.003, 668.004, 668.50 FS. Law Implemented 373.413, 373.416, 373.419, 373.426, 668.003, 668.004, 668.50 FS. History—New 9-3-81, Amended 1-31-82, 12-1-82, Formerly 16K-4.07(4), Amended 7-1-86, 4-20-94, 10-3-95, 5-28-00, 10-1-06.

40E-4.331 Modification of Permits.

An application for modification of an environmental resource, or surface water management permit shall be processed in accordance with this rule, unless the permit has expired or has been otherwise revoked or suspended.

(1) Applications to modify a conceptual approval may be made for an alteration of the design of the permitted surface water management system. Those portions of the modified project, and any additional areas impacted by the modification(s), shall be reviewed in accordance with the same criteria in effect at the time of said modification.

(2) Applications to modify environmental resource, or surface water management individual or standard general permits shall be made by the following methods:

(a) District permit application as described in Rule 40E-4.101, F.A.C. Permit modification applications shall be reviewed using the same criteria as new applications for those portions of the project proposed for, or affected by, the modification;

(b) By letter, provided the requested modification does not:

1. Substantially modify the permit authorization, or any permit conditions;
2. Increase the authorized off-site discharge;
3. Impact the environmental features of the project including wetlands and other surface waters;
4. Decrease the required retention/detention;
5. Decrease the required flood control elevations for roads or buildings; or
6. Decrease pollution removal efficiency.

(c) Modifications pursuant to paragraph (2)(b) above are acknowledged and approved by letter from the Water Resource Regulation Department Director or designee through correspondence to the permittee.

(3) The same review time and informational requirements which apply to initial permit applications shall apply to all applications to modify an existing valid permit.

Rulemaking Authority 373.044, 373.113 FS. Law Implemented 373.413, 373.416(1) FS. History—New 12-1-82, Formerly 16K-2.031(1), 16K-2.032(1)(a), Amended 7-1-86, 11-21-89, 4-20-94, 10-3-95.

40E-4.341 District Revocation or Modification of Permits.

(1) The Governing Board may revoke a permit in accordance with the provisions of Sections 373.429 and 120.60(5), F.S., and Rules 40E-1.609 and 28-106.2015, F.A.C.

(2) The Governing Board shall revoke or modify a permit at any time if it determines that a stormwater management system, dam, impoundment, reservoir, appurtenant work, works or any combination thereof, has become a danger to the public health or safety, or if its operation has become inconsistent with the objectives of the District.

Rulemaking Authority 373.044, 373.113 FS. Law Implemented 373.429 FS. History—New 12-1-82, Amended 7-1-86, 4-20-94, 10-3-95, 7-2-98, 5-28-00.

40E-4.351 Transfer of Permits.

(1) Any transfer of project ownership or transfer of a permit is subject to the requirements of Rules 40E-1.6105 and 40E-1.6107, F.A.C.

(2) Notification of a transfer shall not constitute a permit transfer under Rule 40E-1.6107, F.A.C.

(3) The District shall approve the transfer of the permit if the requirements set forth in Rule 40E-1.6107, F.A.C., are met. If the District proposes to deny the transfer, it shall provide both the existing permittee and the proposed transferee a written objection to such transfer together with the notice of rights to request a hearing pursuant to Section 120.57, F.S., regarding such agency action.

(4) Until the permit is transferred pursuant to Rule 40E-1.6107, F.A.C., the permittee shall be liable for compliance with the terms of the permit.

Rulemaking Authority 373.044, 373.113 FS. Law Implemented 373.413, 373.416(2) FS. History—New 9-3-81, Amended 12-1-82, Formerly 16K-4.07(4), Amended 4-20-94, 10-3-95.

40E-4.361 Conversion from Construction Phase to Operation Phase.

(1) In order to convert an environmental resource or surface water management permit from the construction phase to the operational phase, the permittee shall submit the following:

(a) A completed and executed Request for Conversion of Environmental Resource/Surface Water Management Permit from Construction Phase to Operation Phase and Transfer of Permit to the Operating Entity Form No. 0920, incorporated by reference in Rule 40E-1.659, F.A.C.;

(b) A completed and executed Environmental Resource/Surface Water Management Permit Construction Completion Certification Form No. 0881A or Environmental Resource/Surface Water Management Permit Construction Completion Certification – For Projects Permitted Prior to October 3, 1995 Form No. 0881B, incorporated by reference in Rule 40E-1.659, F.A.C., in accordance with Section 10.0 of the “Basis of Review for Environmental Resource Permit Applications Within the South Florida Water Management District”, incorporated by reference in Rule 40E-4.091, F.A.C.; and

(c) Documentary evidence of satisfaction of permit conditions, other than long-term monitoring.

(2) The operation phase of a surface water management system which was required to be designed by a professional engineer or other individual authorized by law does not become effective until all of the following criteria have occurred:

(a) Within 30 days after completion of construction of the system, the permittee shall submit a signed and

sealed certification by a professional engineer or other individual authorized by law indicating that the system has been constructed and that the system is ready for inspection by the District;

(b) The professional engineer or other individual authorized by law shall certify that:

1. The system has been constructed substantially in accordance with approved plans and specifications, or;

2. Any deviations from the approved plans and specifications will not prevent the system from functioning in compliance with the requirements of this rule and Section 10.0 of the “Basis of Review for Environmental Resource Permit Applications within the South Florida Water Management District”, incorporated by reference in Rule 40E-4.091, F.A.C. The professional engineer or other individual authorized by law shall note and explain substantial deviations from the approved plans and specifications and provide two copies of as-built drawings to the District; and

(c) As-built drawings shall be the permitted drawings revised to reflect any changes made during construction. Both the original and revised specifications must be clearly shown. The plans must be clearly labeled as “as-built” drawings. All surveyed dimensions and elevations required shall be certified by a registered surveyor.

(3) A conversion to the operational phase shall not occur until a responsible entity meeting the requirements in Section 9.0, of the “Basis of Review for Environmental Resource Permit Applications within the South Florida Water Management District”, incorporated by reference in Rule 40E-4.091, F.A.C., has been established to operate and maintain the system. The entity must be provided with sufficient ownership, legal or equitable interest so that it has control over all water management facilities authorized by the permit.

(4) Upon the District’s confirmation of the submitted information, the permit shall be converted from the construction phase to the operation phase. If the operational entity differs from the initial permittee, the transfer shall be subject to Rule 40E-1.6107, F.A.C. (the Permit Transfer rule).

Rulemaking Authority 373.044, 373.113, 373.171 FS. Law Implemented 373.413, 373.416 FS. History—New 10-3-95, Amended 1-7-97, 4-14-03, 9-16-03, 7-22-07.

40E-4.371 Abatement and Abandonment of a System.

Rulemaking Authority 373.044, 373.113, 373.171 FS. Law Implemented 373.426, 373.433 FS. History—New 10-3-95, Repealed 4-14-03.

40E-4.381 General Conditions.

(1) The following general conditions shall be applicable to and binding on all permits issued pursuant to this chapter and Chapter 40E-40, F.A.C., unless waived by the District upon a determination that the conditions are inapplicable to the activity authorized by the permit. These conditions are enforceable under Part IV, Chapter 373, F.S.

(a) All activities authorized by this permit shall be implemented as set forth in the plans, specifications and performance criteria as approved by this permit. Any deviation from the permitted activity and the conditions for undertaking that activity shall constitute a violation of this permit and Part IV, Chapter 373, F.S.

(b) This permit or a copy thereof, complete with all conditions, attachments, exhibits, and modifications shall be kept at the work site of the permitted activity. The complete permit shall be available for review at the work site upon request by the District staff. The permittee shall require the contractor to review the complete permit prior to commencement of the activity authorized by this permit.

(c) Activities approved by this permit shall be conducted in a manner which does not cause violations of state water quality standards. The permittee shall implement best management practices for erosion and pollution control to prevent violation of state water quality standards. Temporary erosion control shall be implemented prior to and during construction, and permanent control measures shall be completed within 7 days of any construction activity. Turbidity barriers shall be installed and maintained at all locations where the possibility of transferring suspended solids into the receiving waterbody exists due to the permitted work. Turbidity barriers shall remain in place at all locations until construction is completed and soils are stabilized and vegetation has been established. All practices shall be in accordance with the guidelines and specifications described in Chapter 6 of the Florida Land

Development Manual; A Guide to Sound Land and Water Management (Department of Environmental Regulation, 1988), incorporated by reference in Rule 40E-4.091, F.A.C., unless a project-specific erosion and sediment control plan is approved as part of the permit. Thereafter the permittee shall be responsible for the removal of the barriers. The permittee shall correct any erosion or shoaling that causes adverse impacts to the water resources.

(d) The permittee shall notify the District of the anticipated construction start date within 30 days of the date that this permit is issued. At least 48 hours prior to commencement of activity authorized by this permit, the permittee shall submit to the District an Environmental Resource/Surface Water Management Permit Construction Commencement Notice Form No. 0960, incorporated by reference in Rule 40E-1.659, F.A.C., indicating the actual start date and the expected completion date.

(e) When the duration of construction will exceed one year, the permittee shall submit construction status reports to the District on an annual basis utilizing the District's Environmental Resource/Surface Water Management Permit Annual Status Report for Surface Water Management System Construction Form No. 0961, incorporated by reference in Rule 40E-1.659, F.A.C. The Annual Status Report Forms shall be submitted the following June of each year.

(f) Within thirty days after completion of construction of the permitted activity, the permittee shall submit a written statement of completion and certification by a professional engineer or other individual authorized by law, utilizing the supplied Environmental Resource/Surface Water Management Permit Construction Completion Certification Form No. 0881A or Environmental Resource/Surface Water Management Permit Construction Completion Certification – For Projects Permitted Prior to October 3, 1995 Form No. 0881B, incorporated by reference in Rule 40E-1.659, F.A.C. The statement of completion and certification shall be based on on-site observation of construction or review of as-built drawings for the purpose of determining if the work was completed in compliance with permitted plans and specifications. This submittal shall serve to notify the District that the system is ready for inspection. Additionally, if deviation from the approved drawings are discovered during the certification process, the certification must be accompanied by a copy of the approved permit drawings with deviations noted. Both the original and revised specifications must be clearly shown. The plans must be clearly labeled as “as-built” or “record” drawings. All surveyed dimensions and elevations shall be certified by a registered surveyor.

(g) The operation phase of this permit shall not become effective: until the permittee has complied with the requirements of paragraph (f) above, has submitted a Request for Conversion of Environmental Resource/Surface Water Management Permit from Construction Phase to Operation Phase and Transfer of Permit to the Operating Entity Form No. 0920, incorporated by reference in Rule 40E-1.659, F.A.C.; the District determines the system to be in compliance with the permitted plans and specifications; and the entity approved by the District in accordance with Sections 9.0 and 10.0 of the “Basis of Review for Environmental Resource Permit Applications within the South Florida Water Management District,” incorporated by reference in Rule 40E-4.091, F.A.C., accepts responsibility for operation and maintenance of the system. The permit shall not be transferred to such approved operation and maintenance entity until the operation phase of the permit becomes effective. Following inspection and approval of the permitted system by the District, the permittee shall initiate transfer of the permit to the approved responsible operating entity if different from the permittee. Until the permit is transferred pursuant to Rule 40E-1.6107, F.A.C., the permittee shall be liable for compliance with the terms of the permit.

(h) Each phase or independent portion of the permitted system must be completed in accordance with the permitted plans and permit conditions prior to the initiation of the permitted use of site infrastructure located within the area served by that portion or phase of the system. Each phase or independent portion of the system must be completed in accordance with the permitted plans and permit conditions prior to transfer of responsibility for operation and maintenance of the phase or portion of the system to a local government or other responsible entity.

(i) For those systems that will be operated or maintained by an entity that will require an easement or deed restriction in order to enable that entity to operate or maintain the system in conformance with this permit, such easement or deed restriction must be recorded in the public records and submitted to the District along with any other final operation and maintenance documents required by Sections 9.0 and 10.0 of the “Basis of Review for

Environmental Resource Permit Applications within the South Florida Water Management District,” incorporated by reference in Rule 40E-4.091, F.A.C., prior to lot or unit sales or prior to the completion of the system, whichever occurs first. Other documents concerning the establishment and authority of the operating entity must be filed with the Secretary of State where appropriate. For those systems which are proposed to be maintained by the county or municipal entities, final operation and maintenance documents must be received by the District when maintenance and operation of the system is accepted by the local government entity. Failure to submit the appropriate final documents will result in the permittee remaining liable for carrying out maintenance and operation of the permitted system and any other permit conditions.

(j) Should any other regulatory agency require changes to the permitted system, the permittee shall notify the District by electronic mail at the District’s e-Permitting website in writing of the changes prior to implementation so that a determination can be made whether a permit modification is required.

(k) This permit does not eliminate the necessity to obtain any required federal, state, local and special district authorizations prior to the start of any activity approved by this permit. This permit does not convey to the permittee or create in the permittee any property right, or any interest in real property, nor does it authorize any entrance upon or activities on property which is not owned or controlled by the permittee, or convey any rights or privileges other than those specified in the permit and Chapter 40E-4 or 40E-40, F.A.C.

(l) The permittee is hereby advised that Section 253.77, F.S., states that a person may not commence any excavation, construction, or other activity involving the use of sovereign or other lands of the state, the title to which is vested in the Board of Trustees of the Internal Improvement Trust Fund without obtaining the required lease, license, easement, or other form of consent authorizing the proposed use. Therefore, the permittee is responsible for obtaining any necessary authorizations from the Board of Trustees prior to commencing activity on sovereignty lands or other state-owned lands.

(m) The permittee must obtain a water use permit prior to construction dewatering, unless the work qualifies for a general permit pursuant to subsection 40E-20.302(4), F.A.C., also known as the “No Notice” rule.

(n) The permittee shall hold and save the District harmless from any and all damages, claims, or liabilities which may arise by reason of the construction, alteration, operation, maintenance, removal, abandonment or use of any system authorized by the permit.

(o) Any delineation of the extent of a wetland or other surface water submitted as part of the permit application, including plans or other supporting documentation, shall not be considered binding unless a specific condition of this permit or a formal determination under Rule 40E-4.042, F.A.C., provides otherwise.

(p) The permittee shall notify the District by electronic mail at the District’s e-Permitting website or in writing within 30 days of any sale, conveyance, or other transfer of ownership or control of a permitted system or the real property on which the permitted system is located. All transfers of ownership or transfers of a permit are subject to the requirements of Rules 40E-1.6105 and 40E-1.6107, F.A.C. The permittee transferring the permit shall remain liable for corrective actions that may be required as a result of any violations prior to the sale, conveyance or other transfer of the system.

(q) Upon reasonable notice to the permittee, District authorized staff with proper identification shall have permission to enter, inspect, sample and test the system to insure conformity with the plans and specifications approved by the permit.

(r) If historical or archaeological artifacts are discovered at any time on the project site, the permittee shall immediately notify the appropriate District Service Center.

(s) The permittee shall immediately notify the District by electronic mail at the District’s e-Permitting website or in writing of any previously submitted information that is later discovered to be inaccurate.

(2) In addition to those general conditions set forth in subsection (1), the Governing Board shall impose on any permit granted under this chapter and Chapter 40E-40, F.A.C., such reasonable project-specific special conditions as are necessary to ensure that the permitted system will meet the conditions for issuance in Rules 40E-4.301 and 40E-4.302, F.A.C. Upon receipt of notice of proposed agency action, any substantially affected persons shall have the right to request a hearing in accordance with Rules 40E-1.511 and 40E-1.521, F.A.C.

Rulemaking Authority 373.044, 373.113, 373.171, 668.003, 668.004, 668.50 FS. Law Implemented 373.116, 373.229, 373.413, 373.416, 373.421, 373.422, 373.426, 668.003, 668.004, 668.50 FS. History—New 9-3-81, Amended 1-31-82, 12-1-82, Formerly 16K-4.07(3), 16K-4.38, Amended 7-1-86, 4-20-94, 10-3-95, 1-7-97, 4-14-03, 9-16-03, 10-1-06, 7-22-07.

40E-4.451 Emergency Authorization.

(1) The District issues two types of emergency authorizations, pursuant to the procedures in Rule 40E-1.6115, F.A.C., as set forth below:

(a) Authorization to begin construction, alteration, operation, maintenance, removal or abandonment of a system prior to obtaining a permit may be applied for, in writing, when emergency conditions justify. However, no such permission shall be granted unless an environmental resource permit application for the proposed activity has been submitted. A serious set of unforeseen or unforeseeable circumstances must exist to create an emergency. Mere carelessness or lack of planning on the part of the applicant shall not be sufficient grounds to warrant the granting of emergency authorization.

(b) Upon the District's determination that an emergency exists within its geographic jurisdiction or any part thereof, the Executive Director shall issue an emergency order which shall describe the conditions which are causing the emergency and the type of corrective action necessary to minimize or abate the emergency condition.

1. An emergency exists when immediate action is necessary to protect the public health, safety or welfare; the health of animals, fish or aquatic life; the works of the District; a public water supply, or recreational, commercial, industrial, agricultural, or other reasonable uses.

2. The emergency order shall be delivered by service of process or by personal delivery by an agent of the District to the person responsible for conducting the corrective actions, or their agent. Such action shall include appropriate public notice in accordance with Chapter 50, F.S.

(2) All emergency authorization orders shall expire upon the granting or denial of the pending permit application, or as otherwise specified in the emergency authorization order.

Specific Authority 373.044, 373.113 FS. Law Implemented 373.119(2), 373.413 FS. History—New 9-3-81, Formerly 16K-4.13, Amended 10-3-95, 7-2-98.

November __, 2014

Northern Palm Beach County Improvement District
Palm Beach County, Florida

Raymond James & Associates
St. Petersburg, Florida

FMS Bonds, Inc.
Miami, Florida

Re: Northern Palm Beach County Improvement District Water Control and
Improvement Bonds Unit of Development No. 2C (the "Series 2014 Bonds) -
NOTICE OF APPEAL

Ladies and Gentlemen:

We have acted as outside counsel to the Northern Palm Beach County Improvement District (the "District"). You have asked us to express our opinion with respect to that certain Notice of Appeal filed by Rachel Kijewski (the "Appellant") on September 10, 2014 ("Notice of Appeal"), with respect to that certain "Order" issued by the South Florida Water Management District ("SFWMD") dated August 11, 2014 Dismissing Petitioner's Response to SFWMD's Order Dismissing Amended Petition for Administrative Hearing and Denying Motion to Transfer Case to Administrative Law Judge (the "2014 Final Order"). This opinion letter is furnished to you at the request and with the consent of the District in connection with the issuance by the District of the Series 2014 Bonds (the "Transaction") as described in the District's Preliminary Official Statement dated [_____], 2014, including the appendices attached thereto (collectively, the "Preliminary Official Statement") and the Official Statement, dated [_____], 2014, including the appendices attached thereto (the "Final Official Statement" and, together with the Preliminary Official Statement, the "Official Statements"). It is our understanding that the Series 2014 Bonds are being issued to provide funds to: (i) finance the costs of certain Improvements related to the District's Unit 2C (the "Project"), (ii) pay certain costs associated with the issuance of the Bonds, and (iii) make a deposit to the Bond Fund and the Reserve Fund for the Series 2014 Bonds.

For purposes of rendering this opinion, and in our capacity as outside counsel to the District, we have reviewed the following documents: (i) the Notice of Appeal; and (ii) all of the documents with respect to the underlying administrative proceeding of SFWMD (SFWMD Case No. 2014-072-DAO-ERP) ("SFWMD Proceeding") (collectively, the "SFWMD Administrative Proceeding Record").

Members of our firm involved in the preparation of this letter are licensed to practice law in the State of Florida. We do not express any opinion concerning any law other than the law of the State of Florida and the federal laws of the United States. As outside counsel, we have represented the District as counsel of record in the SFWMD Proceedings.

As to any questions of fact material to this opinion letter, we have relied with your approval

solely upon our examination of the SFWMD Administrative Proceeding Record and have made no independent verification or inquiry as to the facts asserted to be true and correct in these documents (provided, however, no facts have come to our attention that would give us actual knowledge or actual notice that any such facts are not accurate and complete), and have considered such questions of law as we have deemed relevant and necessary for the purpose of rendering the opinions set forth herein.

Background Facts

This opinion letter concerns certain real property generally known as the “Briger Tract”, a 681.89-acre parcel of land located in northern Palm Beach County, Florida (the “Property”).

On April 16, 2010, SFWMD issued a conceptual Environmental Resource Permit (“ERP”) to KH Alton’s predecessor in interest to the Property, The David Minkin Florida Realty Trust, Richard Thall, Robert Thall, Peter L. Briger, Paul H. Briger, and The Lester Family Investments, LP (the “Lester Family”) and Palm Beach County as co-applicants under Application No. 090427-7 (Permit No. 50-00610-S-24) (the “Original Permit”). The Original Permit authorized conceptual approval of a surface water management system to serve 681.69 acres of mixed use development and mitigation consisting of on-site preservation and mitigation totaling approximately 91 acres, 193.92 acres of off-site wetland mitigation at the Palm Beach County Pine Glades Natural Area and additional off-site mitigation at the Loxahatchee Mitigation Bank. At that time, the development was known as Scripps Florida Phase II / Briger.¹

In May of 2010, the following persons and entities challenged the Original Permit: Palm Beach County Environmental Coalition (“PBCEC”), Panagioti Tsolkas, Carol Strick, Suki DeJong, Alfred Lark, Christian Minaya, Alexandria Larson, and Rosa Durando (collectively, “2010 Petitioners”). The 2010 Petitioners commenced a Division of Administrative Hearings (“DOAH”) proceeding under DOAH Case No. 10-3100 (“2010 Challenge”).²

A Final Hearing on the merits was held on October 5-6, 2010.³ The Administrative Law Judge heard testimony as to the merits on claims related to the surface water management system, the SFWMD’s ERP permitting criteria, water quality criteria, water quality, the Hazardous Waste Management Plan, reduction and elimination of impacts to wetlands and other surface waters, secondary impacts, mitigation, fish and wildlife and listed species, the public interest test, and the Florida Coastal Management Program. Despite full participation in the proceeding, the ALJ found that Petitioners Tsolkas and Minaya failed to demonstrate standing. The ALJ found the Respondents Lester Family and Palm Beach County gave reasonable assurances that the SFWMD’s conditions for issuance of a conceptual ERP were met. The ALJ issued a Recommended Order recommending issuance of the Original Permit. On January 3, 2011, SFWMD’s final order (Order No. SFWMD 2011-001-FOF-ERP) (“2011 Final Order”) approved the issuance of the Original Permit, and it became final agency action.⁴ No further appeals were filed.⁵

¹ A staff report addendum was issued on May 4, 2010 and incorporated into the Original Permit.

² See *Tsolkas v. The David Minkin Florida Realty Trust*, Case No. 10-3100 (DOAH Nov. 30, 2010; SFWMD Jan. 3, 2011).

³ Only Petitioners Tsolkas and Minaya appeared at the Final Hearing.

⁴ See *Tsolkas v. The David Minkin Florida Realty Trust*, Case No. 10-3100 (DOAH Nov. 30, 2010; SFWMD Jan. 3, 2011).

Procedural History

On April 9, 2014, SFWMD provided notice of intended agency action to issue construction permits pursuant to Application No. 131119-5, ERP No. 50-00610-S-24, (issued to Northern Palm Beach County Improvement District, KH Alton, LLC, KG Donald Ross, LLC, Heights Biotech Investments, LLC, Parkside Retail Investments, LLC, Grandiflora Multifamily Investments, LLC, Palm Beach County and Florida Power & Light Company, collectively referred to as "Respondents"), for conceptual modification to a 681.89-acre mixed-use development, along with 88.14 acres of construction, including portions of the spine roads and stormwater management system, and Application No. 131216-7, ERP No. 50-00610-S-24 (issued to KH Alton, LLC), for modification of the stormwater system to serve 58.11 acres of residential development (those two permits are hereinafter collectively referred to as the "2014 Original Agency Action." The 2014 Original Agency Action does not contain authorization to construct a biotechnology facility.

On the same day, SFWMD also provided notice of intended agency action to issue three water use permits, which included: Application No. 140212-1 for the new use of surface water from the on-site lake in Phase 1 for landscape irrigation of 29.53 acres of turf using sprinkler irrigation system with maximum monthly allocation of 5.58 million gallons (the "Irrigation Permit") for the Property; Application No. 140211-13 for the new use of surface water from the water table aquifer for short-term dewatering necessary for the construction of water management lakes and associated structures, and for the installation of drainage and sanitary sewer systems on the Property; Application No. 140321-16 for the new use of surface water from the water table aquifer for short-term dewatering necessary for the installation of a drainage system and sanitary sewer systems on the Property. The three water use permits are hereunder collectively referred to herein as the "Water Use Permits".

On April 29, 2014, Petitioner, PBCEC, filed a petition listing the five SFWMD permit application numbers that the SFWMD issued notice of intended agency action on April 9, 2014 (the "Original Petition").⁶ The Respondents moved to dismiss, and on May 20, 2014, the SFWMD dismissed the Original Petition with leave to amend.⁷

In dismissing the Original Petition, SFWMD found that the Original Petition alleged several disputed issues of material fact, including failure to address water quality impacts, cumulative impacts, protection of endangered or protected species, and consistency with the Florida Coastal Management Program, and stated: "*These issues were considered and fully adjudicated in the 2010 Challenge challenging the original conceptual permit for this project* The Petition fails to state how these alleged disputed issues are different from the issues already adjudicated."⁸ SFWMD also concluded, "*The Applicant Respondents are correct that matters already determined in a conceptual*

⁵ The permittees extended the expiration date of the Original Permit in 2011 and 2012.

⁶ Rachel Kijewski signed the Original Petition on behalf of PBCEC. Panagioti Tsolkas also signed the Original Petition. SFWMD made findings of fact that PBCEC, Rachel Kijewski, and Panagioti Tsolkas were petitioners on the Original Petition. See SFWMD Order Dismissing with Leave to Amend, SFWMD Order No. 2014-041-DAO-ERP, dated May 20, 2014.

⁷ See SFWMD Order Nos. 2014-041-DAO-ERP, 2014-042-DAO-WU, 2014-043-DAO-WU, and 2014-044-DAO-WU.

⁸ See SFWMD Order Dismissing Petition with Leave to Amend, SFWMD Order Nos. 2014-041-DAO-ERP, dated May 20, 2014 at ¶9 (citing Application No. 090427-7, ERP No. 50-00610-S-24, Order No. SFWMD 2011-001-FOF-ERP).

*permit cannot be reconsidered in a subsequent construction permit proceeding . . . Petitioner must allege disputed issues of material fact exist other than those that were previously adjudicated.”*⁹ SFWMD also concluded that the Petition failed to meet the pleading requirements of paragraphs 28-106.201(2)(b),(e),(f),and (g), Fla. Admin. Code, and PBCEC had failed to allege its capacity to initiate an administrative proceeding.

Also on May 20, 2014, SFWMD added the following special condition to Application No. 131119-5 and Application No. 131216-7 (the “Hazardous Waste Condition”), pertaining to submission of a Hazardous Waste Management Plan (“HWMP”)¹⁰ and attached a notice of rights:

At the time of application for the construction of facilities within the conceptually approved biotechnology parcels (shown as Parcels A 1-SCR and A 1-B10 on Exhibit 2, page 1 of 2), the permittee(s) shall submit a hazardous waste management plan that provides reasonable assurance that hazardous materials will not enter the stormwater management system.

On June 9, 2014, PBCEC filed an Amended Petition and also listed Rachel Kijewski, Panagioti Tsolkas, David Simms, and Christian Minaya as petitioners (the “Amended Petition”). The Amended Petition was devoid of any allegations as to the Water Use Permits.¹¹ The Amended Petition challenged both the 2014 Original Agency Action and the Hazardous Waste Condition.

On July 11, 2014, SFWMD issued an Order Dismissing Portions of the Amended Petition with Prejudice and Granting Limited Leave to Amend (the “July 11th Order”). In the July 11th Order, SFWMD found the same deficiencies in the allegations regarding the 2014 Original Agency Action, that is, Petitioners impermissibly sought to relitigate issues that were previously litigated and resolved in the 2011 Final Order. Finding that the Petitioners were given an opportunity to cure defects in their Original Petition and had failed to do so, SFWMD dismissed these allegations with prejudice. SFWMD also found that Petitioners Simms and Minaya were untimely as to their challenge of the 2014 Original Agency Action and dismissed their claims with prejudice. As to the Hazardous Waste Condition, SFWMD found that the allegations were insufficient, but allowed a second opportunity to amend the petition limited only to the Hazardous Waste Condition. The deadline to file an amended petition was 5:00 p.m. on July 21, 2014.

Petitioners did not file an amended petition prior to the deadline of 5:00 p.m. on July 21, 2014. Petitioners served their “Response to [SFWMD’s] Order Dismissing Amended Petition for Administrative Hearing” (the “Late Response”) on Respondents’ counsel after 5:00 p.m. on July 21, 2014, but it was not filed with the SFWMD Clerk.

⁹ *Id.* at ¶ 19 (citing *Perdue v. T.J. Palm Assocs. Ltd.*, 775 So. 2d 660 (Fla. 4th DCA 1999)).

¹⁰ The applicable HWMP condition that the May 20, 2014 Special Conditions modified stated: “Special Condition #33 requires that the applicant submit a Hazardous Waste Management Plan at the time of application for construction. In addition, the applicant is required to obtain any necessary permits from the Florida Department of Environmental Protection for the handling of hazardous waste materials.”

¹¹ Because no amended petition was filed as to these water use applications, two of the applications became final permits, which were issued as of April 9, 2014. The Irrigation Permit was issued on October 1, 2014, after Seacoast Utility Authority withdrew its objection.

SFWMD treated the Petitioners' Late Response as a "Second Amended Petition" and dismissed it with prejudice by order dated August 11, 2014, referred to herein as the "2014 Final Order."¹² SFWMD supported its order with multiple findings as to why the Late Response was insufficient. SFWMD reiterated the findings in its prior July 11th Order that all issues related to the 2014 Original Agency Action were dismissed with prejudice and the issues were limited to the Hazardous Waste Condition. SFWMD further found that as either a request for additional time or as a second amended petition, the Petitioners' Late Response was procedurally deficient in that it was untimely and improperly filed. Considering the substance of the Late Response, as limited to the Hazardous Waste Condition issue, the SFWMD found the Second Amended Petition failed to follow the Uniform Rules of Procedure in Rule 28-106.201(2), F.A.C. and failed to demonstrate how Petitioners' substantial interests would be affected by the Hazardous Waste Condition.

On September 10, 2014, a single Petitioner, Rachel Kijewski, (the "Appellant") filed a Notice of Appeal in the Fourth District Court of Appeal ("4th DCA").¹³ The Administrative Procedures Act, § 120.68(2)(a), Fla. Stat., adopts the appellate deadline provided by the Florida Rules of Appellate Procedure Rule 9.110(c), which in turn, states "In an appeal to review final orders of lower administrative tribunals, the appellant shall file the notice with the clerk of the lower administrative tribunal within 30 days of rendition of the order to be reviewed, and shall also file a copy of the notice, accompanied by any filing fees prescribed by law, with the clerk of the court." Fla. R. App. P. 9.110(c). While a timely appeal is jurisdictional, that is, mandatory to invoke the appellate court's jurisdiction, the appeal of a final agency action is timely if within 30 days of the agency action, a notice of appeal is filed either with the appellate court or the agency. *Belvue v. Florida Unemployment Appeals Comm'n*, 812 So. 2d 444, 445 n.1 (Fla. 3d DCA 2001) (citing *Hines v. Lykes Pasco Packing*, 374 So.2d 1132, 1133 (Fla. 2d DCA 1979)). Therefore, under Florida law, Appellant's notice of appeal was timely.

Procedure of Appeal

SFWMD will assemble the administrative record and transmit it to the 4th DCA. The parties will have the opportunity to file briefs. Appellant's Initial Brief is due within 70 days¹⁴ after the Notice of Appeal was filed with the 4th DCA, which would make the Initial Brief due on November 19, 2014.¹⁵

The Respondents (now, "Appellees") may request an expedited review and scheduling order from the 4th DCA based on Appellant's continued failure to allege proper standing as well as procedural history of the case, coupled with the prejudice to Appellees as a result of further time delays.

Burdens and Standard of Review

In an appeal from final administrative action, appellate courts review the agency's findings of

¹² In the interim, on July 28, 2014, Petitioners filed a Motion to Transfer Case, which SFWMD denied in the 2014 Final Order.

¹³ The notice of appeal was filed with the 4th DCA at 3:24 p.m. on the last day of the appeal deadline.

¹⁴ Under Fla. R. App. P. 9.110(e), the SFWMD Clerk must serve the parties with the Index of Record. The Initial Brief is due 20 days thereafter.

¹⁵ Fla. R. App. P. 9.110(f).

fact to determine if they are supported by competent, substantial evidence. *Dorcely v. State Dept. of Bus. & Prof'l Regulation*, 22 So. 3d 834, 836 (Fla. 4th DCA 2009) (citing § 120.68(7)(b), Fla. Stat.) The agency's conclusions of law are reviewed *de novo*. *Id.* (citing § 120.68(10), Fla. Stat.). Further, with regard to interpreting statutes and rules an agency is charged with implementing and enforcing, the appellate court "will defer to the agency's conclusions of law unless they are clearly erroneous or contrary to law." *U.S. Blood Bank, Inc. v. Agency for Workforce Innovation*, 85 So. 3d 1139, 1142 (Fla. 3d DCA 2012) (citing *Palm Beach Cnty. Canvassing Bd. v. Harris*, 772 So. 2d 1273, 1283 (Fla. 2000)).

Stay Pending Appeal

Under Rule 9.310, which is the general Rule governing stays on appeal, a party may only seek to stay an order "pending review," that is, an order which has been appealed. Therefore, here, the only order Appellant may seek to stay is the 2014 Final Order. Moreover, a stay of the 2014 Final Order is not automatic. Fla. R. App. P. 9.190(e)(1).¹⁶

Generally, an appellant is required to request a stay from the lower tribunal, here, SFMWD. Fla. R. App. P. 9.310(a). However, when the matter under review is an agency action, appellant may also seek a stay with the appellate court upon a showing of good cause. Fla. R. App. P. 9.190(e)(2). "Nevertheless, in most cases [appellate courts] continue to adhere to the general requirement of rule 9.310(a) that an applicant should first seek relief in the lower tribunal." *MSQ Properties v. Florida Dept. of Health & Rehabilitative Servs.*, 626 So. 2d 292, 293 (Fla. 1st DCA 1993); *Trombley v. Florida Real Estate Comm'n*, 356 So. 2d 813, 813 (Fla. 4th DCA 1977).

A stay *may* be conditioned on the posting of a good and sufficient bond, other conditions, or both. Fla. R. App. P. 9.190(e)(3). The posting and amount of the bond, as well as whether to issue a stay, is within the discretion of the lower tribunal. See, e.g., *Terrell Oil Co. v. Dep't of Transp.*, 541 So. 2d 713, 715 (Fla. 1st DCA 1989).

Outcome If Appellant Wins Appeal

Based on Appellant's Notice of Appeal, which identified only the 2014 Final Order as being appealed, we expect the underlying issues on appeal to be limited to review of that 2014 Final Order dismissing the Late Response (i.e., so-called Second Amended Petition) with prejudice.

We will argue that the Appellant waived appellate review of any prior SFWMD orders by virtue of failing to identify any other such orders in the Notice of Appeal. On appeal, we would seek affirmance of the 2014 Final Order on the following grounds; (1) Petitioners' failure to timely file a Second Amended Petition; (2) Petitioners' failure (again) to identify a basis for standing; (3) as to all issues other than the Hazardous Waste Condition, Petitioners' failure to appeal the July 11th Order; and (4) on the merits, Petitioners' failure to meet much less plead the requirements for a DOAH hearing.

If Appellants are successful, the 4th DCA could require SFWMD to allow Appellant to file a

¹⁶ *Escambia County v. Trans Pac, Inc., and DEP*, Case No. 89-3760, 1990 WL 178696 (DOAH Apr. 16, 1990; DEP Jun. 1, 1990).

sufficient pleading as contemplated by the July 11th Order or order SFWMD to send the “Second Amended” Petition to DOAH for an administrative proceeding. If the 2014 Final Order is reversed, and a permit challenge before DOAH is allowed to proceed, the ERP Permits, Application No. 131119-5, ERP No. 50-00610-S-24 and Application No.131216-7, ERP No. 50-00610-S-24 will revert from final agency action (which is their current status) to pending agency action. §120.60(1), Fla. Stat. Construction activities must cease under the ERP Permits, if they become pending agency action.

No Merits Legal Opinion

1) Florida Law Requires Dismissal of a Petition that Does Not Meet Pleading Requirements

The statutory framework that governs administrative proceedings and environmental permitting is contained in Florida’s Administrative Procedure Act in Chapter 120, Florida Statutes. Chapter 120 dictates the actions SFWMD must take when a petition is filed with the agency. Florida law clearly states that a petition that does not conform to the minimum pleading requirements and is, therefore insufficient, cannot and should not be forwarded to DOAH but rather be dismissed. A petition that contains a flaw that cannot be cured with an amended filing must likewise be dismissed.

Here, SFWMD afforded Petitioners three chances to correct their insufficient pleadings. Having failed at each attempt, we believe SFWMD’s dismissal with prejudice complied with Chapter 120, Florida Statutes. First, as explained above, the Petitioners served late but never filed their Late Response to SFWMD’s July 11th Order. This Late Response did not follow the requirements set out in the July 11th Order for an adequate petition.

Second, and setting the procedural insufficiencies aside, SFWMD still considered the content of the Late Response and determined it was inadequate as a petition, the earlier defects noted in the July 11th Order had not been cured and that dismissal was appropriate. Because SFWMD’s actions afforded Appellant every opportunity to avail herself of the administrative process, it is our opinion that the 4th DCA likely will not overturn the 2014 Final Order because SFWMD followed the law and construed it liberally in favor of Appellant. Appellant’s failure to file a sufficient pleading is clear on the face of the pleadings. As a result, we believe that the dismissal with prejudice was correct and clearly complied with the applicable law. It is our opinion that it is more likely than not that the 4th DCA will affirm the 2014 Final Order and the matter will not be reversed or referred to DOAH.

2) If The Matter Were to be Referred to DOAH, The Only Issue Remaining on The Merits Is The Hazardous Waste Condition, Which Is Moot and Petitioners Have No Standing To Succeed with A Challenge on The Merits

While we feel strongly regarding our opinion set forth in paragraph 1, above, if, in the unlikely circumstance the 4th DCA were to overturn SFWMD’s dismissal with prejudice in the Final Order, it is our opinion that it is more likely than not that Appellant will not prevail on the merits with a challenge to the ERP permits. This is because the only viable issue remaining open for challenge is the Hazardous Waste Condition. This condition is not ripe for challenge because the 2014 Original Agency Action authorizes no construction that triggers the submittal of a HWMP. The first phase of development includes residential development only. No hazardous materials require management as part of the residential phase and thus no HWMP is required. Once an

applicant proposes construction of a biotechnology facility, the applicant will seek a construction permit. At that point, a HWMP will be produced, and it will be ripe for an appropriate challenge. That time is not now. Almost squarely on point, is *Escambia County v. Trans Pac, Inc., and DEP*, Case No. 89-3760, 1990 WL178696 (DOAH Apr. 16, 1990; DEB June 1, 1990), where petitioners attempted to challenge the sale of a hazardous waste facility to another owner before the buyer was known, arguing that there was no assurance that the unknown buyer would be in compliance with Florida law regarding hazardous waste. The ALJ in that case dismissed this argument as “unripe” and pointed out that another point of entry would exist when the buyer was identified and the hazardous waste permit was transferred to the new owner. Similar to the *Escambia County* case, the nature and scope of a HWMP is, at this point, unknown and unknowable because the only proposed development is residential.

The issue of mootness on the Hazardous Waste Condition is not new and our opinions are supported by the prior ALJ’s rulings. In the 2010 Challenge, the ALJ dismissed the challenge to a lack of a HWMP, essentially, for lack of ripeness. The current challenge is still not ripe. The ERP construction permits authorize only residential development and do not include authorization for the biotechnology parcels. As explained by the ALJ in the Original Proceedings: “[A] plan is not required now because it would need to address the specific uses for the property, which have not yet been designated.”¹⁷ Such uses could not and cannot be designated, until the facilities potentially generating the hazardous waste – the biotechnology facilities – are known. The same reasoning still applies.

Moreover, the issue of whether a HWMP is needed now or is moot is an issue that the 4th DCA will likely defer to the agency's determination. This is because case law is clear that a court will grant an agency deference in the interpretation and application of rules within their unique and specialized jurisdiction. Environmental law is one such area where courts routinely defer to agencies in their interpretation of their substantive rules. Here, SFWMD is the expert on whether a HWMP is needed or not. Based on our review of the relevant regulations and case law, we believe the 4th DCA will likely defer to the agency’s knowledge of its permitting structure and not second guess whether a HWMP is ripe or not.

As such, it is our opinion that even if the 4th DCA overturned the 2014 Final Order, the Appellant has no reasonable likelihood of prevailing on the merits before DOAH because the only issue remaining, the Hazardous Waste Condition, is moot and the 4th DCA will likely defer to the agency on this issue.

Opinions

Based upon the foregoing analysis and subject to the qualifications, limitations, assumptions and exceptions set forth herein, we are of the opinion that although the matter is not free from doubt, assuming interpretation of the relevant law on a basis consistent with existing authority, as of the date hereof we believe it is more likely than not that the highest court of the State of Florida having jurisdiction over the issue will ultimately hold that the 2014 Final Order was properly entered because the pleadings were insufficient and Appellant failed to cure the deficiencies despite

¹⁷ See *Tsolkas v. The David Minkin Florida Realty Trust*, Case No. 10-3100, RO at ¶ 29 (DOAH Nov. 30, 2010; SFWMD Jan. 3, 2011).

numerous opportunities. Moreover, even if the matter was referred to DOAH, we believe it is more likely than not that Alton Group will prevail on the merits because the only remaining issue for challenge is not ripe and is inapplicable to the current ERP permits.

Our opinion is based solely on the applicable laws of the State of Florida and the federal laws of the United States, and facts, all as in existence on this date, and we express no opinion as to the effect which any future amendments, changes, deletions or modifications thereof may have upon our opinions expressed in this letter.

This letter is limited to the matters expressly stated herein, and no opinions or legal conclusions may be implied or inferred beyond the reasoned opinion expressly stated herein. We have assumed no obligation to advise you beyond the reasoned opinion specifically expressed herein. This letter and the opinion set forth herein are dated as of the date hereof and are limited to the facts described in this letter and to the relevant Florida laws in effect on the date hereof, we express no opinion as to circumstances or events that may occur subsequent to the date hereof, and we disclaim any obligation to update, revise or supplement this letter to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur.

This opinion letter is (a) not intended to be a guaranty of what determination will be made in each or any specific instance in which a court ruling is sought relative to the matters referred to herein, and (b) for your benefit in connection with the referenced transaction and may not be relied on by any other person without our prior written consent.

Very truly yours,

CIKLIN LUBITZ MARTENS & O'CONNELL

BRIAN B. JOSLYN, as President of
BRIAN B. JOSLYN, P.A., Partner

BBJ:cjr

November ___, 2014

Northern Palm Beach County Improvement District
Palm Beach County, Florida

Raymond James & Associates
St. Petersburg, Florida

FMS Bonds, Inc.
Miami, Florida

Re: Northern Palm Beach County Improvement District – Water Control and
Improvement Bonds for Unit of Development No. 2C (the “Series 2014 Bonds”)

Gentlemen:

As you know, we have and do act as outside counsel to the Northern Palm Beach County Improvement District (the “District”). You have asked us to express our opinion with respect to the status of the South Florida Water Management District (“SFWMD”) Permit No. 50-00610-S-24 (the “2011 Conceptual Permit”, which is referred to as the “Original Permit” in the Official Statements). This Opinion Letter is furnished to you in connection with the issuance by the District of the Series 2014 Bonds. It is our understanding that the Series 2014 Bonds are being issued to provide funds to: (i) finance the costs of certain Improvements related to the District’s Unit 2C (the “Project”); (ii) pay certain costs associated with issuance of the Bonds; and (iii) make a deposit to the Bond Fund and the Reserve Fund for the Series 2014 Bonds. The Improvements financed by portions of the Bond proceeds will be made on certain tracts of real property located within the District’s Unit of Development 2C. Title to the property on which the Improvements will be constructed is held by K.H. Alton, LLC, a Florida limited liability company and certain of its affiliates, consisting of KG Donald Ross, LLC; Parkside Retail Investments, LLC; Heights Biotech Investments, LLC; and Grandiflora Multifamily Investments, LLC, each of which is a Florida limited liability company (also referred to as the “Alton Group”).

For purposes of rendering this Opinion and in our capacity as outside counsel to the District, we have reviewed the permit documentation attached to this Letter as Exhibits A through E, inclusive (collectively the “Permit Documentation”). Members of our firm involved in the preparation of this letter are licensed to practice law in the State of Florida. We do not express any opinion concerning any law other than the law of the State of Florida and the federal laws of the United States.

In rendering the opinions set forth below, we have assumed the genuineness of all facsimile and electronically delivered signatures, the authenticity of all documents provided to us as originals and the conformity to authentic, original documents of all documents provided to us as drafts, facsimiles, electronic or photostatic copies. As to any questions of fact material to this opinion letter, we have relied with your approval solely upon our examination of the Permit Documentation and have made no independent verification or inquiry as to the facts asserted to be true and correct in these documents (provided, however, no facts have come to our attention that would give us actual knowledge or actual notice that any such facts are not accurate and complete), and have considered such questions of law as we have deemed relevant and necessary for the purpose of rendering the

opinions set forth herein. Without limiting the foregoing, with your approval, we have not conducted a search or investigation of the records, files or indices of any court or governmental authority for action, litigation, suits, proceedings, orders, judgments, decrees, filings, arbitrations or otherwise.

Background Facts

f. On May 4, 2010, SFWMD issued the 2011 Conceptual Permit to the Lester Family and Palm Beach County. A copy of the 2011 Conceptual Permit is attached to this opinion as Exhibit "A" and is applicable to all of the acreage contained in the Northern Palm Beach County Improvement District ("NPBCID") Unit of Development No. 2C ("Unit 2C"). The 2011 Conceptual Permit authorized conceptual approval of a surface water management system to serve 681.69 acres of mixed use development and mitigation consisting of on-site preservation and mitigation totaling approximately 91 acres, 193.92 acres of off-site wetland mitigation at the Palm Beach County Pine Glades Natural Area and additional off-site mitigation at the Loxahatchee Mitigation Bank.

g. The 2011 Conceptual Permit included a Notice of Rights which notified potentially affected parties of their right to challenge the agency action within 21 days of the date of issuance. The 2011 Conceptual Permit was challenged in May of 2010 by Palm Beach County Environmental Coalition and various named individuals (together, the "Petitioners"). A Division of Administrative Hearings ("DOAH") proceeding was held on the merits, in which the Petitioners presented arguments on all aspects of the 2011 Conceptual Permit including the following issues: impacts to threatened and endangered species, species of special concern, commercially-exploited species and rare habitat, the Hazardous Waste Management Plan, inconsistency with the Coastal Management Program, draining of surface waters, adverse impacts, public interest, wetland impacts, loss of wildlife habitat, mitigation, and drawdowns.

At the conclusion of this DOAH proceeding, the Administrative Law Judge issued a Recommended Order, which was adopted in full by the SFWMD in its January 3, 2011 Final Order (the "2011 Final Order"). The 2011 Final Order was final agency action with respect to the 2011 Conceptual Permit and, pursuant to 120.68, Florida Statutes, could only be appealed within 30 days of the 2011 Final Order. No one, including the Petitioners, appealed the 2011 Final Order and the time period within which to file an appeal of the 2011 Final Order expired in February 2011.

h. On March 26, 2014, The Board of Supervisors for NPBCID adopted a resolution formally approving a Plan of Improvements and Engineer's Report for Unit 2C. Copies of NPBCID's authorizing Resolution, Plan of Improvements and Engineer's Report are attached to this Opinion as Exhibits "B", "C" and "D", respectively.

i. The Unit No. 2C Plan of Improvements and Engineer's Report were each last revised on February 14, 2014. At that time the only SFWMD permit available for review by NPBCID's engineer was the 2011 Conceptual Permit. Consequently, the Unit No. 2C Plan of Improvements, as prepared by NPBCID's engineer, only generally describes the type of improvements to be made in Unit of Development No. 2C. The 2011 Conceptual Permit is the only permit specifically referenced in said Plan of Improvements.

j. Robert W. Lawson, P.E., FL P.E. Number: 26640, prepared the Plan of Improvements and Engineer's Report for Unit of Development No. 2C on behalf of the NPBCID. Robert W. Lawson has provided the Certificate attached hereto as Exhibit "E" addressed to NPBCID, Gunster,

Yoakley & Stewart, P.A., and the undersigned law firm certifying that the improvements as described in the Unit No. 2C Plan of Improvements could be constructed under the 2011 Conceptual Permit.

Opinions

Based upon the above facts, we are of the opinion that:

d. The pending appeal to the issuance of the 2014 SFWMD ERP Permits (i.e., Application No. 131119-5, ERP No. 50-00610-S-24 and Application No.131216-7, ERP No. 50-00610-S-24)¹, does not and will not have any impact on the finality and validity of the 2011 Conceptual Permit since the 2014 SFWMD Permits are separate agency actions with different legal points of entry and objection. The special conditions of the 2014 SFWMD Permits specifically state that said 2014 SFWMD Permits do not supersede or delete any requirements for other applications addressed in the 2011 Conceptual Permit (i.e., Permit No. 50-00610-5-24) unless specifically set forth in the 2014 SFWMD Permits.

e. As long as the 2011 Conceptual Permit does not expire, it remains valid and may be relied upon by NPBCID since the 2011 Conceptual Permit is final and non-appealable. Although the current 2011 Conceptual Permit has a stated expiration date of March 26, 2015, this expiration date is no longer applicable. Pursuant to SFWMD Administrative Rule 40E-4.321, F.A.C. attached hereto as Exhibit "F", when an application for a construction permit has been filed under a valid conceptual permit, the rule states that the conceptual permit remains alive and valid during the entire duration of the application process, including any challenges to such construction permit. Once the construction permit is final, the conceptual permit remains valid for another two years until the next construction application is applied for and obtained or an extension of the two years is requested. This process of obtaining construction permits for phased projects remains in effect until all phases are complete.

Here, a construction permit was applied for and finalized on August 11, 2014 in Application No.131216-7. Pursuant to the rule citation above, the 2011 Conceptual Permit is currently valid for an additional two years from the date this construction permit was finalized – until August 2016. Any future construction permits that are applied for shall continue to extend the validity of the 2011 Conceptual. Consequently, the 2011 Conceptual Permit remains valid today, will not expire in 2015, and will continue as a valid permit into the future while construction permits are applied and obtained. Moreover, no legal point of entry exists for a legal challenge of the 2011 Conceptual Permit.

f. In reliance upon the Certificate provide by Robert W. Lawson, P.E., we are also of the opinion that:

I. NPBCID may rely upon the 2011 Conceptual Permit for purposes of completing the improvements described in the Unit 2C Plan of Improvements;

¹ The legal effect of the pending appeal filed by Rachel Kijewski on September 10, 2014 in the Fourth District Court of Appeal is addressed in a separate opinion from the Gunster Law firm of even date herewith.

II. NPBCID will ultimately be able to obtain construction permits from SFWMD for the work described in the Plan of Improvements, either in reliance on the 2014 SFWMD Permits or new construction permits that could be applied for under the 2011 Conceptual Permit;

III. No changes to the Unit 2C Plan of Improvements will be required as a result of a legal challenge to the 2014 SFWMD Permits because the Plan of Improvements is based upon the prior and now non-appealable 2011 Conceptual Permit, and the specific and minor changes in the 2014 SFWMD Permits are not mentioned in the Unit 2C Plan of Improvements.

Our opinion is based solely on the applicable laws of the State of Florida and the federal laws of the United States, and facts, all as in existence on this date, and we express no opinion as to the effect which any future amendments, changes, deletions or modifications thereof may have upon our opinions expressed in this letter.

This letter is limited to the matters expressly stated herein, and no opinions or legal conclusions may be implied or inferred beyond the reasoned opinion expressly stated herein. We have assumed no obligation to advise you beyond the reasoned opinion specifically expressed herein. This letter and the opinion set forth herein are dated as of the date hereof and are limited to the facts described in this letter and to the relevant Florida laws in effect on the date hereof, we express no opinion as to circumstances or events that may occur subsequent to the date hereof, and we disclaim any obligation to update, revise or supplement this letter to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur.

This opinion letter is (a) not intended to be a guaranty of what determination will be made in each or any specific instance in which a court ruling is sought relative to the documents or matters referred to herein, and (b) for your benefit in connection with the referenced transaction and may not be relied on by any other person without our prior written consent.

Very truly yours,

CIKLIN LUBITZ MARTENS & O'CONNELL

BRIAN B. JOSLYN, as President of
BRIAN B. JOSLYN, P.A., Partner

BBJ:cjr

[Exhibits A through F have been intentionally deleted. They are the same documents referenced on pages J-16 through J-147 hereof.]

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