

PINELANDS DEVELOPMENT CREDIT BANK BOARD MEETING

THURSDAY, OCTOBER 17, 1996

The meeting was called to order by Deputy Commissioner John Traier, for Commissioner Elizabeth Randall.

Mr. Traier began the meeting by reading the Open Public Meeting Act Statement.

The roll was called by Executive Director John Ross. Present at the meeting were:

Members

John Traier, Deputy Commissioner of Banking
George Rover, for Attorney General Peter Verniero
Richard J. Sullivan, Chairman, NJ Pinelands Commission
James F. Hall, for Honorable Robert C. Shinn, Jr.
Pete Anderson, for Honorable Arthur R. Brown, Jr.

Other Officials

John T. Ross, Executive Director, PDCB
John M. Van Dalen, Deputy Attorney General, PDCB
Michael Hogan, Chief Counsel, DEP
Lorraine Strickland, Recording Secretary

Members Absent

John Tarditi, Jr.
Richard Chinery
Donald McCauley

The minutes of the meeting of May 9, 1996 were approved as read.

Mr. Ross informed the Board that the Bank received an application for the purchase of 2.75 PDCs from the Unexpected Wildlife Refuge, Inc. He advised the Board that the application meets the Bank's criteria for purchase and that it had been reviewed by John Van Dalen. Mr. Ross recommended conditional approval for the purchase based on receipt of additional title information. A discussion followed whereby Mr. Sullivan expressed concern that if the Bank continues to purchase PDCs it may create a perception that the program isn't working. Mr. Sullivan also asked if the owners tried to sell the credits on the private market. Mr. Rover also expressed concern that the Bank be a buyer of last resort and perhaps sellers should have to try selling on the private market before coming to the Bank.

Mr. Ross stated that the seller was advised that if the credits were sold on the private market they would command a much higher price than if purchased by the Bank. Due to the sellers' age and financial constraints, they opted for an immediate sale to the Bank at the lower price. Mr. Ross also stated that most transactions take place in the private market due to higher prices, but from time to time the Bank is called upon for an expedient sale due to financial hardships. Mr. Sullivan motioned to approve the application. There was unanimous approval. After the approval, Mr. Anderson suggested looking into the possibility of rules that would let people know that the PDC Bank is a buyer of last resort. He asked Mr. Ross to provide the Board with the last three years of Bank purchase activity.

Mr. Ross introduced Mr. Michael Hogan, Chief Counsel to the Commissioner of DEP. Mr. Hogan updated the Board on the Pinelands Cranberry Growers Expansion Permit and also the possibility of the Bank becoming involved through the purchase of PDCs from Pinelands growers. Basically, growers who expand their bogs into certain wetlands would be required (based on a formula) to submit a certain number of PDCs to the Bank for sale. The proceeds of the sale would be dedicated to create new white cedar wetlands on another property located in the Pinelands. The permit would be for a five year period and it is estimated that a maximum of 120 rights could possibly be presented to the Bank over the five years.

The Board reached a consensus that Mr. Ross and Mr. Van Dalen would work on a memorandum of agreement with the DEP and the Pinelands Commission. Mr. Ross will report back to the Board in January.

Mr. Ross stated that Rich Osborn's contract expires in December and that Rich may be offered full time employment with the DEP. The meeting then went into executive session..

The Board approved the 1997 meeting schedule as follows:

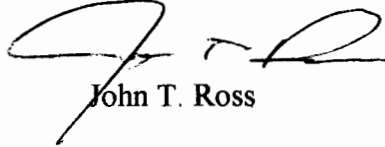
January 9, 1997

May 8, 1997

October 9, 1997

With no further matters to be discussed, the meeting was adjourned at 11:10

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John T. Ross", written over a horizontal line.

John T. Ross