

CRA RESOLUTION NO. 2010 - 1

A RESOLUTION OF THE ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF EXCESS PROJECT FUNDS FROM THE ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY REDEVELOPMENT REVENUE AND REFUNDING NOTE (FLAGLER ESTATES PROJECT), SERIES 2007, TO THE ASSOCIATED SINKING FUND TO BE APPLIED TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE NOTE.

WHEREAS, St. Johns County Community Redevelopment Agency (the "Issuer") is a public community redevelopment agency, duly organized and existing under the provisions of Chapter 163, Part III, Florida Statutes, as amended; and

WHEREAS, the Board of County Commissioners of St. Johns County, Florida, by adoption of its Resolution No. 2002-185 established the boundaries of the Flagler Estates Community Redevelopment Area and by adoption of its Resolution No. 2002-208 established the Issuer and incorporated the boundary areas of the Flagler Estates Community Redevelopment Area into the Issuer and approved the community redevelopment plan for the Flagler Estates Community Redevelopment Area; and

WHEREAS, the Issuer by adoption of its Resolution No. 2007-2 on January 9, 2007 (the "Resolution"), approved the issue of the \$6,000,000 St. Johns County Community Redevelopment Agency Redevelopment Revenue and Refunding Note (Flagler Estates Project), Series 2007 (the "Note"), to, among other things, finance the paving of certain public roads (the "Project"); and

WHEREAS, Section 4.3 of the Resolution states that after the date of the completion of the Project, and after paying or making provisions for the payment of all unpaid items of the Cost of the Project, the Issuer shall deposit in the following order and priority any balance of moneys remaining in the Project Fund in (a) the Reserve Account, to the extent of any deficiency therein; and (b) the Sinking Fund to apply to the next payment due on the Note, or such other fund or account of the Issuer, provided the Issuer has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion of interest on the Note from gross income for federal income tax purposes (as such undefined terms are defined in the Resolution); and

WHEREAS, (a) the Flagler Estates Road and Water Control District has delivered to the Issuer a project completion certificate certifying that the Project is complete and all costs of the Project have been paid in full, (b) approximately \$182,000 of Note proceeds remain in the Project Fund (the "Excess Funds"), (c) no deficiency exists in the Reserve Account and (d) the Issuer desires to transfer the Excess Funds to the Sinking Fund

established under the Resolution to apply to payments due on the Note (the "Transfer");
and

WHEREAS, the Bond Counsel for the Issuer, Edwards Cohen, has rendered an opinion that the Transfer, in and of itself, will not have an adverse effect on any exclusion from gross income of interest on the Note pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE ST. JOHNS COUNTY COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The above Recitals are hereby incorporated into the body of this Resolution, and are adopted as Findings of Fact.

Section 2. The Issuer hereby approves the transfer of excess project funds from the St. Johns County Community Redevelopment Agency Redevelopment Revenue and Refunding Note (Flagler Estates Project), Series 2007, to the Sinking Fund established under the Resolution to be applied to the payment of principal and interest on the Note.

PASSED AND ADOPTED by the St. Johns County Community Redevelopment Agency, this 19th day of January, 2010.

ST. JOHNS COUNTY COMMUNITY
REDEVELOPMENT AGENCY

By: 

Ron Sanchez, Chairman

ATTEST: Cheryl Strickland, Its Clerk

By: 

Deputy Clerk

Rendition Date: January 20, 2010



January 5, 2010

St. Johns County Community Redevelopment Agency
St. Augustine, FloridaRe: \$6,000,000 St. Johns County Community Redevelopment Agency Redevelopment
Revenue and Refunding Note (Flagler Estates Project), Series 2007

Ladies and Gentlemen:

We acted as bond counsel for the St. Johns County Community Redevelopment Agency (the "Issuer") in connection with the issuance by the Issuer of the \$6,000,000 St. Johns County Community Redevelopment Agency Redevelopment Revenue and Refunding Note (Flagler Estates Project), Series 2007 (the "Note"). The Note was issued pursuant to Resolution No. 2007-2 adopted by the Issuer on January 9, 2007 (the "Resolution") to, among other things, finance the paving of certain public roads (as further defined and described in the Resolution, the "Project"). Undefined capitalized terms used herein shall have the respective meanings assigned to such terms in the Resolution.

Section 4.3 of the Resolution states that after the date of the completion of the Project, and after paying or making provisions for the payment of all unpaid items of the Cost of the Project, the Issuer shall deposit in the following order and priority any balance of moneys remaining in the Project Fund in (a) the Reserve Account, to the extent of any deficiency therein; and (b) the Sinking Fund to apply to the next payment due on the Note, or such other fund or account of the Issuer, provided the Issuer has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion of interest on the Note from gross income for federal income tax purposes.

We have been advised that (a) the District has delivered to the Issuer a project completion certificate certifying that the Project is complete and all costs of the Project have been paid in full, (b) approximately \$182,000 of Note proceeds remain in the Project Fund (the "Excess Funds"), (c) no deficiency exists in the Reserve Account and (d) the Issuer intends to transfer the Excess Funds to the Sinking Fund established under the Resolution to apply to payments due on the Note (the "Transfer").

The Issuer has asked our advice, as bond counsel, as to whether the Transfer, in and of itself, will have an adverse effect on the exclusion from gross income of interest on the Note pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code").

In rendering this opinion we have assumed the validity of signatures, the accuracy of copies and that the forms of documents supplied to us are substantially identical to those documents actually executed. As to questions of fact material to our opinion, with your

permission we have relied on the District's project completion certificate, a copy of which is attached hereto, with respect to the certifications contained therein, and upon other representations and covenants of the Issuer, and on other certifications furnished to us by or on behalf of the Issuer, without undertaking to verify the same by independent investigation.

The scope of our opinion as bond counsel is limited solely to the issues set forth in the next succeeding paragraph hereof (*i.e.*, the effect of the Transfer on the exclusion from gross income of interest on the Note pursuant to Section 103(a) of the Code). We express no opinion as to whether any other fact or circumstance exists that may have an impact on the exclusion from gross income of interest on the Note, nor to what extent interest on the Note is otherwise excludable from the gross income of the holder thereof.

Based on the foregoing and subject to the assumptions, qualifications and limitations described herein, we are of the opinion on the date hereof that the Transfer, in and of itself, will not have an adverse effect on any exclusion from gross income of interest on the Note pursuant to Section 103(a) of the Code.

Please note that we have rendered only the foregoing opinion only in connection with the Transfer and have not passed upon any other federal income tax issue. This opinion may not be relied upon by you for any other purpose or by any other person for any purpose without our prior written consent. Please understand that we have not undertaken any obligation to update this opinion for any developments which may occur subsequent to the date hereof. This opinion letter is solely for the benefit of the addressee hereto, and may not be relied upon or used by, circulated, quoted or referred to, nor any copies hereof be delivered to, any other person without our prior written approval.

Respectfully submitted,

Edwards Cohen

PROJECT COMPLETION CERTIFICATE
OF
FLAGLER ESTATES ROAD AND WATER CONTROL DISTRICT

The undersigned hereby (a) certifies that (i) he is the ~~President~~^{Secretary} of the Flagler Estates Road and Water Control District (the "District"), (ii) the Project undertaken by the District with the grant provided to the District by the St. Johns County Community Redevelopment Agency (the "Agency"), as described in the Amended and Restated Interlocal Agreement dated January 22, 2007, between the Agency and the District (the Interlocal Agreement"), which was funded with proceeds of the Note issued by the Agency, is complete, and (iii) all costs of the Project have been paid in full, and (b) acknowledges and agrees on behalf of the District that the unexpected remaining proceeds of the grant and related Note shall be deposited into the Sinking Fund established under the Note Resolution and applied to payments due on the Note in accordance with the Note Resolution. All terms used herein in capitalized form and not otherwise defined herein shall have the respective meanings assigned to such terms in the Interlocal Agreement.

IN WITNESS WHEREOF, I have executed this certificate in my official capacity on this 30th day of December, 2009.

[Handwritten Signature]
~~Secretary~~ President of the Flagler Estates Road and
Water Control District