

RESOLUTION NO. 89-142

A RESOLUTION FURTHER AMENDING AND SUPPLEMENTING RESOLUTION NO. 89-52 ADOPTED MARCH 1, 1989, ENTITLED: "A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, AUTHORIZING THE DESIGN, ACQUISITION, CONSTRUCTION, EQUIPPING AND PROVISION OF UTILITIES FOR ADDITIONAL JAIL AND CRIMINAL JUSTICE FACILITIES WITHIN THE COUNTY; AUTHORIZING THE ISSUANCE BY THE COUNTY OF NOT EXCEEDING \$8,500,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE COUNTY TO FINANCE THE COST OF SUCH PROJECT AND THE COSTS OF THE ISSUANCE OF SUCH BONDS; PLEDGING THE FULL FAITH AND CREDIT AND THE AD VALOREM TAXING POWER OF THE COUNTY TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDERS OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE," AS HERETOFORE AMENDED AND SUPPLEMENTED, FOR THE PURPOSE OF ACCEPTING THE INSURER'S COMMITMENT AND MAKING CERTAIN COVENANTS FOR THE BENEFIT OF THE INSURER; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, as follows:

SECTION 1. DEFINITIONS. The terms used in this resolution shall have the respective meanings assigned to them in the Original Instrument and in this section, unless the text hereof clearly otherwise requires:

"Bonds" shall mean \$8,190,000 principal amount of the obligations of the Issuer authorized to be issued by the Issuer in accordance with the terms of the Original Instrument.

"Insurer" shall mean AMBAC Indemnity Corporation, a Wisconsin-domiciled stock insurance company, insurer of the payment when due of the principal of and interest on the Bonds as provided in the Municipal Bond Insurance Policy.

"Municipal Bond Insurance Policy" shall mean the municipal bond insurance policy issued by the Insurer in favor of the Issuer insuring the payment of the principal of and interest on the Bonds.

"Original Instrument" shall mean Resolution No. 89-52 adopted by the Board on March 1, 1989, the title of which is

quoted in the title of this resolution, as amended and supplemented by Resolution No. 89-129 adopted by the Board on June 13, 1989.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

SECTION 3. FINDINGS. It is hereby found and determined that:

(A) On March 1, 1989, the Board duly adopted Resolution No. 89-52 for the purpose of authorizing the acquisition and construction of the Project and the issuance of bonds of the Issuer to pay the Cost thereof.

(B) On June 13, 1989, the Board duly adopted Resolution No. 89-129 for the purpose of making certain amendments to said Resolution No. 89-52, appointing the Trustee, appointing the Registrar and Paying Agent, approving the Preliminary Official Statement and awarding the bonds to the Purchaser thereof.

(C) The Issuer has received from the Insurer a commitment to provide a policy of municipal bond insurance with respect to the Bonds, a copy of which is attached hereto as Exhibit A, and it is in the best interest of the Issuer and its finances and appropriate that the Issuer accept such commitment and that the covenants of the Issuer hereinafter contained be made for the benefit of the Insurer by amendment to the Original Instrument.

SECTION 5. ACCEPTANCE OF INSURANCE COMMITMENT. The Insurer's commitment to provide municipal bond insurance is hereby accepted.

SECTION 6. AMENDMENTS. The definition of Interest Date contained in Section 1.01 of the Original Instrument is hereby amended to substitute March 1 and September 1 for May 1 and November 1, and a new Section 5.05 is added to the Original Instrument, to read as follows:

"SECTION 5.05. Municipal Bond Insurance. (A) In the event that the principal of or interest on the Bonds shall be paid by the Insurer pursuant to the Municipal Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the covenants, agreements and other obligations of the Issuer to the Holders shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such Holders.

"(B) As long as the Municipal Bond Insurance Policy shall be in full force and effect, the Issuer agrees to comply with the following provisions and to require that the Trustee, the Registrar and any Paying Agent comply therewith:

"(a) if five (5) days prior to an Interest Date the Trustee or Paying Agent, if any, determines that there will be insufficient funds in the funds and accounts created hereunder to pay the principal of or interest on the Bonds on such Interest Date, the Trustee or Paying Agent, if any, shall so notify the Insurer. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified the Insurer five (5) days prior to an Interest Date, the Insurer will make payments of principal or interest due on the Bonds on or before the fifth (5th) day next following the date on which the Insurer shall have received notice of nonpayment from the Trustee or Paying Agent, if any.

"(b) the Registrar shall, after notice to the Insurer as provided in (a) above, make available to the Insurer and, at the Insurer's direction, to the United States Trust Company of New York, as insurance trustee for the Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Issuer maintained by the Registrar and the Trustee shall make available all records relating to the funds and accounts maintained under this Resolution.

"(c) the Trustee and Registrar shall provide the Insurer and the Insurance Trustee with a list of the Holders entitled to receive principal or interest payments from the Insurer under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the Holders entitled to receive full or partial interest payments from the Insurer and (ii) to pay principal upon Bonds surrendered to the Insurance Trustee by the Holders entitled to receive full or partial principal payments from the Insurer.

"(d) the Trustee or Paying Agent, if any, shall at the time it provides notice to the Insurer pursuant to (a) above, notify the Holders entitled to receive the payment of principal or interest thereon from the Insurer (i) as to the fact of such entitlement, (ii) that the Insurer will remit to them all or a part of the interest payments next coming due upon proof of Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the Holder's right to payment, (iii) that should they be entitled to receive full payment of principal from the Insurer, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the

Insurance Trustee to permit ownership of such Bonds to be registered in the name of the Insurer) for payment to the Insurance Trustee, and not the Trustee or Paying Agent, if any, and (iv) that should they be entitled to receive partial payment of principal from the Insurer, they must surrender their Bonds for payment thereon first to the Trustee or Paying Agent, if any, who shall note on such Bonds the portion of the principal paid by the Trustee or Paying Agent, if any, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

"(e) in the event that the Trustee or Paying agent, if any, has notice that any payment of principal of or interest on a Bond which has become due for payment and which is made to a Bondholder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its Holder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee or paying Agent, if any, shall at the time the Insurer is notified pursuant to (a) above, notify all the Holders that in the event that any Holder's payment is so recovered, such Holder will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee or Paying Agent, if any, shall furnish to the Insurer its records evidencing the payments of principal of and interest on the Bonds which have been made by the Trustee or Paying Agent, if any, and subsequently recovered from the Holders and the dates on which such payments were made.

"(f) in addition to those rights granted the Insurer under this Resolution, the Insurer shall, to the extent it makes payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims from past due interest, the Registrar shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar upon receipt from the Insurer of proof of the payment of interest thereon to the Holders, and (ii) in the case of subrogation as to claims for past due principal, the Registrar shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar upon surrender of the Bonds by the Holders thereof together with proof of the payment of principal thereof.

"(C) Any provision of this Resolution expressly recognizing or granting rights in or to the Insurer may not be amended in any manner which affects the rights of the Insurer hereunder without the prior written consent of the Insurer.

"The Insurer's consent shall be required in addition to Bondholder consent, when required, for the execution and delivery of any Supplemental Resolution or any amendment, supplement or change to or modification of other documents relating to the security for the Bonds.

"(D) The Insurer shall receive a copy of any notice to be given to the Holders, including, without limitation, notification of any redemption of or the defeasance of Bonds, and any certificate rendered pursuant to this Resolution relating to the security for the Bonds.

"(E) Upon the occurrence and continuance of an Event of Default as defined herein, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under this Resolution.

"(F) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the Issuer, the Insurer, the Trustee, the Registrar, any Paying Agent and the Holders, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Insurer, the Trustee, the Registrar, any Paying Agent and the Holders.

"(G) The value of Authorized Investments shall be determined as of the end of each month and shall be calculated as follows:

"(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

"(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at any such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

"(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

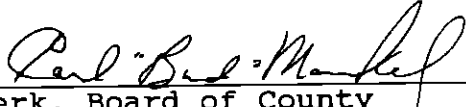
"(d) as to any investment not specified above: the value thereof established by prior agreement between the Issuer, the Trustee and the Insurer."

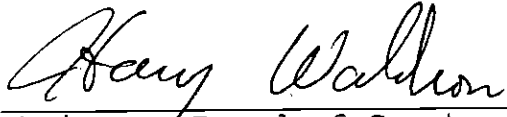
SECTION 7. EFFECTIVE DATE. This resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this twenty-seventh day of June, 1989.

(SEAL)

ATTEST:

  
\_\_\_\_\_  
Clerk, Board of County  
Commissioners

  
\_\_\_\_\_  
Chairman, Board of County  
Commissioners

DG15RES7

AMBAC Indemnity Corporation  
175 State Street Plaza  
New York, New York 10004  
Telephone (212) 608-0540

JUN 13 1989

June 12, 1989

Thomas B. Slade, Esq.  
Foley and Lardner  
1700 First Union Building  
200 W. Forsyth Street  
Jacksonville, Florida 32202

**AMBAC**

RE: \$8,500,000 St. Johns County, FL General Obligation Bonds,  
Series 1989, dated June 1, 1989.

Dear Mr. Slade:

Enclosed herewith please find for distribution an original and one certified photocopy of the Commitment for Municipal Bond Insurance, Commitment Number 4545 (the "Commitment"), relating to the above-captioned obligations (the "Bonds"). The Commitment has been requested in connection with the sale of the Bonds, and if not exercised, should be disregarded.

It is suggested that the original copy of the Commitment be delivered to or held on behalf of the issuer of the Bonds. If further certified photocopies of the Commitment are required, please notify us and they will be provided.

Please be advised of the following:

1. A sample Municipal Bond Insurance Policy (which is page 2 of the enclosed Commitment) and AMBAC's STANDARD PACKAGE which contains sample language for inclusion in the Official Statement relating to the Bonds (see Exhibit D of the Standard Package) are enclosed.
2. If the Bonds sell with our insurance please notify Janine Feudi or Douglas Korey of AMBAC at (212) 668-0340 and confirm that those responsible for printing the Bonds are aware that the enclosed Bond Legend (Exhibit D of the Standard Package) including policy number, should appear on the Bonds. The policy number to be printed as part of the Bond Legend can also be obtained from Janine Feudi or Douglas Korey.
3. If an opinion of AMBAC's counsel regarding the fairness and accuracy of the language to be included in the Official Statement describing AMBAC Indemnity and the Municipal Bond Insurance Policy is required for closing, please notify Janine Feudi or Douglas Korey. The delivery of such opinion is dependent upon the prior review by our legal department of such language.

EXHIBIT A



4. If rating letters from Standard & Poor's Corporation and Moody's Investors Service with respect to the Bonds are required, our closing department should be notified as soon as possible. Please respond promptly to requests from either rating agency for documentation with respect to this issue or any related or parity debt issue. Failure to do so may delay or prevent the timely issuance of the AAA/Aaa rating letters. Please be advised that if the issue has related or parity debt issues, rating agency review of such issues must be completed prior to their issuance of the AAA/Aaa rating letters.
5. Drafts of all financing documents and any legal opinions relating to the issuance of the Bonds, to the extent not already provided, should be provided for our review as soon as available. Please provide a copy of the closing index as soon as practicable.

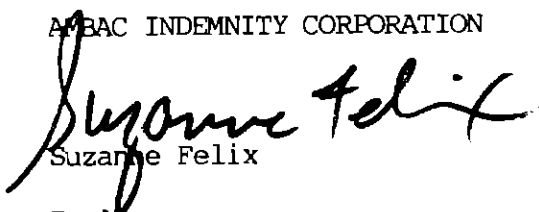
Please note the conditions set forth in the enclosed Commitment (beginning on page 3) must be satisfied prior to AMBAC releasing the Municipal Bond Insurance Policy. Please send all documents to my attention.

6. A closing transcript containing, among other things, all such financing documents and legal opinions should be provided as soon after closing as practicable, along with six (6) copies of the Final Official Statement.

If you need any assistance in this regard, please do not hesitate to call me directly. Any questions relating to the sample language provided for inclusion in the Official Statement should be addressed to our legal department.

Sincerely,

AMBAC INDEMNITY CORPORATION



Suzanne Felix

Enclosures  
SF/sk

cc: Mr. James E. Doyle  
Public Financial Management, Inc.  
Barnett Plaza  
201 South Orange Avenue, Suite 720  
Orlando, Florida 32801

Mr. Henry Hendrix, Finance Director  
4020 Lewis Speedway  
St. Augustine, FL 32084

Morris Rendahl, AMBAC  
Karen Wicks, Coleman, AMBAC



# Commitment for Municipal Bond Insurance

AMBAC Indemnity Corporation  
c/o CT Corporation Systems  
222 West Washington Avenue  
Madison, Wisconsin 53703  
Administrative Office:  
One State Street Plaza  
New York, New York 10004



Issuer: ST. JOHNS COUNTY, FLORIDA

Commitment Number: 4545

Date of Commitment: June 12, 1989

Expiration Date: September 11, 1989

Base Rating Agency Fee: \$5,500

Bonds: \$8,500,000 General Obligation Bonds, Series 1989, dated June 1, 1989 and maturing on March 1 in the years 1990 through 2009, both inclusive.

Insurance Cost: .30% of the total principal and interest due on the Bonds (less a credit for any applicable accrued or capitalized interest invested in a manner approved by AMBAC Indemnity); inclusive of the Base Rating Agency Fee.

## AMBAC Indemnity Corporation (AMBAC) A Wisconsin Stock Insurance Company

hereby commits to issue a Municipal Bond Insurance Policy (the "Policy") relating to the above-described debt obligations (the "Bonds"), substantially in the form imprinted in this Commitment, subject to the terms and conditions contained herein or added hereto (see conditions set forth on page 3 and following).

To keep this Commitment in effect after the expiration date set forth above, a request for renewal must be submitted to AMBAC prior to such expiration date. AMBAC reserves the right to refuse wholly or in part to grant a renewal.

Base Rating Agency Fee shall be payable by separate check to the order of Standard & Poor's Corporation. Premium payment and Base Rating Agency Fee shall be forwarded to AMBAC on the date of closing.



# Municipal Bond Insurance Policy

AMBAC Indemnity Corporation  
c/o CT Corporation Systems  
222 W. Washington Ave. Madison, WI 53703  
Administrative Office:  
One State Street Plaza, New York, NY 10004

Issuer:

Policy Number:

Bonds:

Premium:



**AMBAC Indemnity Corporation (AMBAC)** A Wisconsin Stock Insurance Company

in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to the United States Trust Company of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of Bondholders, that portion of the principal of and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

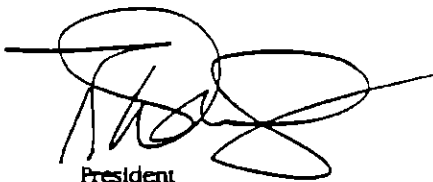
AMBAC will make such payments to the Insurance Trustee within 5 days following notification to AMBAC of Nonpayment. Upon a Bondholder's presentation and surrender to the Insurance Trustee of such unpaid Bonds or appurtenant coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, AMBAC shall become the owner of the surrendered Bonds and coupons and shall be fully subrogated to all of the Bondholder's rights to payment.

In cases where the Bonds are issuable only in a form whereby principal is payable to registered Bondholders or their assigns, the Insurance Trustee shall disburse principal to a Bondholder as aforesaid only upon presentation and surrender to the Insurance Trustee of the unpaid Bond, uncanceled and free of any adverse claim together with an instrument of assignment, in form satisfactory to the Insurance Trustee, duly executed by the Bondholder or such Bondholder's duly authorized representative, so as to permit ownership of such Bond to be registered in the name of AMBAC or its nominee. In cases where the Bonds are issuable only in a form whereby interest is payable to registered Bondholders or their assigns, the Insurance Trustee shall disburse interest to a Bondholder as aforesaid only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Bond and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to the Insurance Trustee, duly executed by the claimant Bondholder or such Bondholder's duly authorized representative, transferring to AMBAC all rights under such Bond to receive the interest in respect of which the insurance disbursement was made. AMBAC shall be subrogated to all of the Bondholders' rights to payment on registered Bonds to the extent of the insurance disbursements so made.

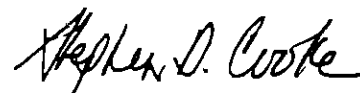
As used herein, the term "Bondholder" means any person other than the Issuer who, at the time of Nonpayment, is the owner of a Bond or of a coupon appurtenant to a Bond. "Due for Payment", when referring to the principal of Bonds, is when the stated maturity date or a mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Bonds, is when the stated date for payment of interest has been reached. "Nonpayment" means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all principal of and interest on the Bonds which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Bonds prior to maturity. This Policy does not insure against loss of any redemption, prepayment or acceleration premium which at any time may become due in respect of any Bond, nor against risk other than Nonpayment.

In witness whereof, AMBAC has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon AMBAC by virtue of the counter-signature of its duly authorized representative.

  
President



  
Secretary

Effective Date:

UNITED STATES TRUST COMPANY OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Form # 566-0003 (1/89)

Authorized Representative

  
Authorized Officer



**The Municipal Bond Insurance Policy shall be issued if the following conditions are satisfied:**

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any purchaser of the Bonds, otherwise required, not to be required to purchase the Bonds on the date scheduled for the issuance and delivery thereof.
3. There shall be no material change in or affecting the Bonds (including, without limitation, the security for the Bonds) or the financing documents or the official statement (or any similar disclosure document) to be executed and delivered in connection with the issuance and sale of the Bonds from the descriptions thereof heretofore provided to AMBAC.
4. The Bonds shall contain no reference to AMBAC, the Policy or the municipal bond insurance evidenced thereby except as may be approved by AMBAC.
5. AMBAC shall be provided with:
  - (a) Executed copies of all financing documents, the official statement (or any similar disclosure document) and the various legal opinions delivered in connection with the issuance and sale of the Bonds, including, without limitation, the unqualified approving opinion of bond counsel rendered by a law firm acceptable to AMBAC. Such opinion of bond counsel shall be addressed to AMBAC or, in lieu thereof, a letter shall be provided to AMBAC to the effect that AMBAC may rely on such opinion as if it were addressed to AMBAC.
  - (b) A letter from bond counsel or counsel to the purchaser or otherwise from another person acceptable to AMBAC to the effect that the financing documents, the official statement (or any similar disclosure document) and the various legal opinions executed and delivered in connection with the issuance and sale of the Bonds are substantially in the forms heretofore submitted to AMBAC for review, with only such amendments, modifications or deletions as approved by AMBAC.
  - (c) A certified or cashier's check for or evidence of wire transfer of an amount equal to the insurance premium at the time of the issuance and delivery of the Bonds.

**Additional conditions to the issuance of the Municipal Bond Insurance Policy:**

6. If the terms of this Commitment so provide, any applicable accrued and/or capitalized interest will be deducted from the total principal and interest when computing the premium, if desired by the purchaser of the Insurance. However, such deduction will be made only upon receipt at least five (5) business days prior to closing of evidence satisfactory to AMBAC Indemnity Corporation ("AMBAC Indemnity") that the monies representing such interest will be invested in direct obligations of the United States government or in obligations guaranteed by the United States government and applied exclusively to the payment of interest on the Bonds.
7. Payment of AMBAC Indemnity Corporation's premium must be made by either certified or cashier's check or a federal funds wire. However, if the amount of premium exceeds \$100,000.00, payment must be made by federal funds wire transfer.
8. The form of bond counsel's approving opinion must be sent to AMBAC Indemnity to the attention of Janine Feudi not less than 5 days prior to closing. The form of Bond Counsel's approving opinion shall indicate that the issuer must comply with certain covenants under and pursuant to the new tax law and that the issuer has the legal power to comply with such covenants. Failure to provide an acceptable opinion in a timely fashion could result in a delay or non-delivery of the policy.
9. The final approving opinion should be addressed to AMBAC Indemnity or a letter indicating that AMBAC Indemnity may rely on such opinion should be delivered with an executed opinion.

**Additional conditions to the issuance of the Municipal Bond Insurance Policy (cont.):**

10. Unless expressly waived in whole or in part by AMBAC, the financing documents shall contain the terms and provisions provided in the AMBAC Indemnity STANDARD PACKAGE transmitted herewith.
11. AMBAC Indemnity shall receive a copy of any insurance policy, surety bond, guaranty or indemnification or any other policy, contract or agreement which provides for payment of all or any portion of the debt, the costs of reconstruction, the loss of business income or in any way secures, ensures or enhances the income stream anticipated to pay the bonds.
12. Any provisions of the Purchase Contract or Bond Purchase Agreement referencing the bond insurer must be sent to the attention of Janine Feudi not less than five (5) business days prior to closing. If such provisions are not received within that time, relevant provisions of the Purchase Contract or Bond Purchase Agreement may not be complied with. In addition, if provisions are inserted in the Purchase Contract or Bond Purchase Agreement without AMBAC Indemnity's knowledge, compliance with such provisions may not be possible.

  
Authorized Representative

*JWF*

**Endorsement**

AMBAC Indemnity Corporation  
c/o CT Corporation Systems  
222 West Washington Avenue  
Madison, Wisconsin 53703  
Administrative Office:  
One State Street Plaza  
New York, New York 10004



Policy issued to:

Attached to and forming part of

Effective Date of Endorsement

The Policy to which this endorsement is attached and of which it forms a part is hereby amended by the insertion of the following language:

"Notwithstanding anything contained herein to the contrary, when the Bonds are issued only in book entry form, the Insurance Trustee shall disburse that portion of the principal and interest on the Bonds Due for Payment but unpaid by reason of Nonpayment to a Bondholder only upon evidence satisfactory to the Insurance Trustee of the Bondholder's right to receive payment of the principal or interest then Due for Payment and that such right has been effectively transferred to AMBAC on the books maintained for such purpose. Upon such disbursement AMBAC shall become the owner of the Bond, appurtenant coupon or right of payment of principal or interest on such Bond and shall be fully subrogated to all the Bondholder's rights thereunder, including the Bondholder's right to payment thereof."

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

**In Witness Whereof**, the Company has caused its Corporate Seal to be hereto affixed and these presents to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding on the Company by virtue of countersignature by its duly authorized agent.

**AMBAC Indemnity Corporation**

President



Secretary

Authorized Representative



TO BE USED ON COVER OF OFFICIAL STATEMENT  
ON ALL AMBAC INSURED ISSUES.

**AMBAC.**  
INDEMNITY CORPORATION

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