

RESOLUTION NO. 89-52

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.

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

ARTICLE I

GENERAL

SECTION 1.01. Definitions. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Act" shall mean Chapter 125, Part I, and Chapter 130, Florida Statutes, as amended, and other applicable provisions of law.

"Amortization Installment" shall mean a mandatory redemption amount designated as such by Supplemental Resolution and established with respect to any Term Bonds.

"Authorized Investments" shall mean any of the following which shall be authorized from time to time by applicable laws of the State for deposit or purchase by the Issuer for the investment of its funds:

(1) Direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and stripped and zero-coupon obligations) or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

(2) Bonds, debentures or notes or other evidences of indebtedness payable in cash issued by any one or a combination of any of the following federal agencies whose obligations represent full faith and credit of the United States of America: Export Import Bank of the United States, Federal Financing Bank, Farmers Home Administration, Federal Housing Administration, Maritime Administration, Public Housing Authority and Government National Mortgage Association.

(3) Certificates of deposit properly secured at all times by collateral security described in either or both of paragraphs (1) and (2) of this definition and issued by commercial banks, savings and loan associations or mutual savings banks chartered by the State or the United States of America, and bank trust receipts issued by commercial banks or trust companies chartered by the State or the United States of America upon any securities described in paragraph (1) of this definition.

(4) The following investments fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation: (A) certificates of deposit, (B)

savings accounts, (C) deposit accounts, or (D) depository receipts of a bank, savings and loan association or mutual savings bank.

(5) Commercial paper rated in one of the two highest rating categories by at least two nationally recognized rating agencies or commercial paper backed by a letter of credit or line of credit rated in one of the two highest rating categories by Moody's Investors Service and Standard & Poor's Corporation.

(6) Written repurchase agreements with any bank, savings institution or trust company which is insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or with any broker-dealer with retail customers which falls under Securities Investors Protection Corporation protection, provided that such repurchase agreements are fully secured by collateral described in (1) above or obligations of any agency or instrumentality of the United States of America, and provided further that (A) such collateral is held by a bank or trust company chosen by the Issuer which has no interest in the repurchase agreement during the term of such repurchase agreement, (B) such collateral is not subject to liens or claims of third parties, (C) such collateral has a market value (determined at least once every 30 days) at least equal to the amount invested in the repurchase agreement, (D) the entity holding the collateral has a perfected first security interest in the collateral for the benefit of the Bondholders, (E) the agreement shall be for a term not longer than 270 days and (F) the failure to maintain such collateral at the level required in (C) above will require the entity holding the collateral to liquidate the collateral.

(7) Money market funds rated in the highest rating category by Moody's Investors Service and Standard & Poor's Corporation.

(8) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, as amended, or any similar common trust fund which is established pursuant to State law as a legal depository of public moneys.

(9) Obligations of state or local governmental entities that are rated in one of the two highest rating categories by Moody's Investors Service and Standard & Poor's Corporation.

(10) Such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

Rating categories when referred to herein shall be without regard to gradations within such categories, such as "plus" or "minus."

"Authorized Issuer Officer" for the performance on behalf of the Issuer of any act of the Issuer or the execution of any instrument on behalf of the Issuer shall mean the Clerk, the Chairman and/or any other person authorized by resolution of the Governing Body or appointed by certificate of the Chairman to perform such act or sign such document.

"Bond Amortization Account" shall mean the separate account of that name in the Debt Service Fund established pursuant to Section 4.02 hereof.

"Bond Counsel" shall mean any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Insurance Policy" shall mean the municipal bond new issue insurance policy, if any, issued by an Insurer guaranteeing the payment of the principal or Redemption Price, if applicable, of and interest on the Bonds.

"Bond Year" shall mean the period commencing on November 2 of each year and continuing through the next succeeding November 1. Each Bond Year shall be designated with the number of the calendar year in which such Bond Year ends.

"Bondholder" or "Holder" or "holder" shall mean any Person who shall be the registered owner of any Outstanding Bond or Bonds according to the registration books of the Issuer.

"Bonds" shall mean the bonds authorized to be issued by the Issuer pursuant to this resolution.

"Chairman" shall mean the Chairman of the Governing Body or such other person as may be duly authorized by the Issuer to act on his or her behalf.

"Clerk" shall mean the Clerk of the Circuit Court for St. Johns County and ex officio Clerk of the Governing Body or such other person as may be duly authorized by the Clerk to act on his or her behalf.

"Code" shall mean the United States Internal Revenue Code of 1986, as the same may be amended from time to time, and the regulations thereunder, whether proposed, temporary or final, promulgated by the Department of the Treasury, Internal Revenue Service, and all other promulgations of said service pertaining thereto.

"Construction Fund" shall mean the Construction Fund established pursuant to Section 4.04 hereof.

"Cost" when used in connection with the Project, shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of any component of the Project; (3) costs of any land and interests therein and the cost of the Issuer incidental to the acquisition thereof; (4) the cost of any indemnity and surety bonds; (5) all capitalized interest due to be paid on the Bonds; (6) architectural, engineering, legal and other consultant fees and expenses; (7) costs and expenses incidental to the issuance of the Bonds including bond insurance premium, rating agency fees and the fees and expenses of any auditors, Trustee, Paying Agent, Registrar or depository; and (8) any other costs properly attributable to the issuance of the Bonds, and such construction or acquisition, as determined by generally accepted accounting principles and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by the Issuer. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"Costs of Issuance Account" shall mean the St. Johns County General Obligation Bonds, Series 1989 Costs of Issuance Account established pursuant to Section 4.02 hereof.

"Credit Facility" shall mean a letter of credit, a line of credit or other credit or liquidity enhancement facility (other than an insurance policy issued by an Insurer), as may be approved in the Supplemental Resolution providing for the issuance of the Bonds.

"Debt Service Fund" shall mean the St. Johns County General Obligation Bonds, Series 1989 Debt Service Fund established pursuant to Section 4.02 hereof.

"Federal Securities" shall mean direct obligations of the United States of America and obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor. Federal Securities shall include any certificates or any other evidences of an ownership interest in the aforementioned obligations or in specified portions thereof (which may consist of specified portions of the interest thereon).

"Governing Body" shall mean the Board of County Commissioners of the Issuer or its successor in function.

"Insurer" shall mean such Person as shall be in the business of insuring or guaranteeing the payment of principal of and interest on governmental obligations and whose credit is such that, at the time of any action or consent required or permitted

by the Insurer pursuant to the terms of this Resolution, all governmental obligations insured or guaranteed by it are then rated, because of such insurance or guarantee, in one of the two most secure grades by either Moody's Investors Service or Standard and Poor's Corporation, and with respect to the Bonds, the Insurer which shall have insured or guaranteed payment of the principal thereof or interest thereon.

"Interest Account" shall mean the separate account of that name in the Debt Service Fund established pursuant to Section 4.02 hereof.

"Interest Date" shall mean each May 1 and November 1 on which payment of interest on the Bonds shall be due.

"Issuer" shall mean St. Johns County, Florida.

"Moody's Investors Service" shall mean Moody's Investors Service, the nationally recognized securities rating firm, and any successor or successors thereto; and if such corporation shall be dissolved or liquidated or shall no longer perform securities rating functions, shall mean any other nationally recognized securities rating firm designated by the Issuer and approved by the Insurer.

"Outstanding" shall mean all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under an agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Sections 2.04 and 2.06 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof, and (4) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity.

"Paying Agent" shall mean any paying agent for Bonds appointed by or pursuant to resolution of the Governing Body and its successors or assigns, and any other Person which may at any time be substituted in its place pursuant to resolution of the Governing Body.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Prerefunded Obligations" shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (a) not callable prior to maturity or (b) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to

give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, and as to which the obligor has reserved no right to call such bonds prior to such redemption date, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or Federal Securities, secured in the manner set forth in Section 8.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities deposited in such fund with any cash on deposit in such fund, are sufficient, as verified by an independent certified public accountant, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in such irrevocable instructions, and (4) which are rated in the highest rating category of Standard & Poor's Corporation and of Moody's Investors Service.

"Principal Account" shall mean the separate account of that name in the Debt Service Fund established pursuant to Section 4.02 hereof.

"Project" shall mean the design, acquisition, construction, equipping and provision of utilities for additional jail and criminal justice facilities within St. Johns County, in accordance with preliminary plans and specifications and estimate of Cost therefor to be filed in the administrative offices of the Issuer.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 4.02 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond or a Supplemental Resolution.

"Registrar" shall mean any registrar for the Bonds appointed by or pursuant to resolution of the Governing Body and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to resolution of the Governing Body.

"Resolution" and "this Resolution" shall mean this instrument, as the same may from time to time be amended, modified or supplemented by any and all Supplemental Resolutions.

"Securities" shall mean Federal Securities and Prere-funded Obligations.

"Serial Bonds" shall mean all of the Bonds other than Term Bonds.

"Standard and Poor's Corporation" shall mean Standard and Poor's Corporation, the nationally recognized securities rating firm, and any successor and successors thereto; and if such corporation shall be dissolved or liquidated or shall no longer perform securities rating functions, shall mean any other nationally recognized securities rating firm designated by the Issuer and approved by the Insurer.

"State" shall mean the State of Florida.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution, adopted and becoming effective prior to the issuance of the Bonds or in accordance with the terms of Sections 4.04, 7.01 and 7.02 hereof.

"Term Bonds" shall mean those Bonds, if any, which shall be designated as Term Bonds by Supplemental Resolution and which are subject to mandatory redemption according to a schedule of Amortization Installments.

"Trust Agreement" shall mean the Trust Agreement to be executed by and between the Issuer and the Trustee in substantially the form attached hereto as Exhibit A.

"Trustee" shall mean the bank or trust company authorized by state law to exercise trust powers within the State which shall be appointed by Supplemental Resolution to perform the duties of the Trustee under the Trust Agreement.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02. Authority for Resolution. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.03. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from

time to time of the Bonds and shall be a part of the contract of the Issuer with any Insurer. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and for the benefit, protection and security of any Insurer. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04. Findings. It is hereby ascertained, determined and declared as follows:

(A) The Issuer deems it necessary, desirable and in the best interests of the Issuer that the Project be acquired and constructed.

(B) The Cost of the Project shall be financed with the proceeds of the Bonds.

(C) The Issuer deems it necessary, desirable and in the best interest of the Issuer that there be pledged to the payment of the principal of and interest on the Bonds the full faith and credit and the ad valorem taxing power of the Issuer.

SECTION 1.05. Project Authorized. The acquisition and construction of the Project and the financing of the Cost thereof in the manner herein provided is hereby authorized.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01. Authorization and Description of Bonds. For the purpose of financing the Cost of the Project, the Issuer hereby authorizes the issuance of Bonds of the Issuer to be designated as "St. Johns County, Florida, General Obligation Bonds, Series 1989," in an aggregate principal amount not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000).

The Bonds shall bear interest at such rate or rates not exceeding the maximum rate permitted by law (calculated on the basis of a 360-day year of twelve 30-day months), payable on May 1 and November 1 of each year and in such years, all as shall be determined by Supplemental Resolution. From and after any maturity date of any of the Bonds (deposit of moneys and/or Securities

for the payment of the principal and interest on such Bonds having been made by the Issuer with the Paying Agents), notwithstanding that any of such Bonds shall not have been surrendered for cancellation, no further interest shall accrue upon the principal or upon the interest which shall have accrued and shall then be due on such date, and such Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the Holders shall have no rights in respect of such Bonds except to receive payment of such principal and unpaid interest accrued to the maturity date.

The Bonds shall be issued in fully registered form in denominations of \$5,000 and integral multiples thereof; shall be numbered from 1 upward in order of maturity, preceded by the letter "R;" shall be dated such date; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; and shall mature on November 1 in such amounts and in such years, not exceeding thirty (30) years from their dates, all as shall be determined by Supplemental Resolution.

The principal and Redemption Price, if applicable, of the Bonds is payable upon presentation and surrender of the Bonds at the office of the Paying Agent. Interest payable on any Bond on any Interest Date will (except for the final payment of interest which will be paid only upon presentation and surrender of such Bond at the office of the Paying Agent) be paid by check or draft of the Paying Agent to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any Bond is not punctually paid or duly provided for by the Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten (10) days preceding such special record date. All payments of principal and Redemption Price, if applicable, of and interest on the Bonds shall be 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 2.02. Execution of Bonds. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Chairman and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the

Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.03. Authentication. No Bond shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.07 hereof.

SECTION 2.04. Temporary Bonds. Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 2.02, and deliver, upon authentication by the Registrar pursuant to Section 2.03 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by resolution of the Governing Body, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

SECTION 2.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be cancelled by the Registrar in a manner that complies with Section 130.09, Florida Statutes, as amended. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.05 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights hereunder to the same extent as all other Bonds issued hereunder and shall be entitled to the same benefits and security as the Bond so lost, stolen or destroyed.

SECTION 2.06. Interchangeability, Negotiability and Transfer. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the laws of the State, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of

transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent for the Bonds, shall forthwith (a) following the fifteenth day of the calendar month next preceding an Interest Date, (b) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds, and (c) at any other time as reasonably requested by the Paying Agent, certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. The Paying Agent shall effect payment of interest on the Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds by the Chairman and the Clerk for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Bonds. All Bonds surrendered in any such exchanges or transfers shall be cancelled by the Registrar in a manner that complies with Section 130.09, Florida Statutes, as amended. For every such exchange or transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of any Bonds which shall have been selected for redemption or of any Bonds during the fifteen (15) days next preceding an Interest Date, or, in the case of any proposed redemption of

Bonds, during the fifteen (15) days next preceding the date of selection of Bonds to be redeemed.

The Issuer may elect to issue the Bonds as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry obligations, provided it shall establish a system of registration therefor by supplemental Resolution.

SECTION 2.07. Form of Bonds. The Bonds shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be evidenced conclusively by the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

No. R- _____ \$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF ST. JOHNS
GENERAL OBLIGATION BOND, SERIES 1989

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
_____ %	November 1, _____	_____, _____	_____

Registered Holder:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that St. Johns County, a political subdivision created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay to the Registered Holder identified above, or registered assigns as hereinafter provided, the Principal Amount identified above on the Maturity Date identified above and interest (calculated on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above on May 1 and November 1 of each year commencing May 1, 1989, until such Principal Amount shall

have been paid or provided for, except as the provisions herein-
after set forth with respect to redemption prior to maturity may
be or become applicable hereto.

Such Principal Amount and interest and the premium, if
any, on this bond are payable in any coin or currency of the
United States of America which, on the respective dates of pay-
ment thereof, shall be legal tender for the payment of public and
private debts. Such Principal Amount and the premium, if any, on
this bond, are payable, upon presentation and surrender hereof,
at the principal office of _____,

_____ as paying agent, or such other paying agent as
the Issuer shall hereafter duly appoint (the "Paying Agent").
Payment of each installment of interest shall be made to the per-
son in whose name this bond shall be registered on the registra-
tion books of the Issuer maintained by _____,

_____ as registrar, or such other regis-
trar as the Issuer shall hereafter duly appoint (the "Registrar"),
at the close of business on the date which shall be the fifteenth
day (whether or not a business day) of the calendar month next
preceding each interest payment date and shall (except for the
final payment of interest which shall be paid only upon presenta-
tion and surrender of this bond at the office of the Paying Agent)
be paid by a check or draft of the Paying Agent mailed to such
Registered Holder at the address appearing on such registration
books or, at the option of the Paying Agent, and at the request
and expense of such Registered Holder, by bank wire transfer for
the account of such Holder. In the event interest payable on
this bond is not punctually paid or duly provided for by the
Issuer on such interest payment date, payment of each installment
of such defaulted interest shall be made to the person in whose
name this bond shall be registered at the close of business on a
special record date for the payment of such defaulted interest as
established by notice to such Registered Holder, not less than
ten (10) days preceding such special record date.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF
THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER
PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET
FORTH IN THIS PLACE.

This bond is one of a series of bonds which was validated
by judgment of the Circuit Court of the Seventh Judicial Circuit
of the State of Florida, in and for St. Johns County, Florida,
rendered on _____, 1989.

This bond shall not be valid or become obligatory for
any purpose until the certificate of authentication hereon shall
have been manually signed by the Registrar.

IN WITNESS WHEREOF, St. Johns County, Florida, has issued this bond and has caused the same to be executed by the manual or facsimile signature of its Chairman and attested and countersigned by the manual or facsimile signature of its Clerk and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the first day of _____, 1989.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By _____
Chairman

ATTESTED AND COUNTERSIGNED:

Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

Registrar

By: _____
Authorized Officer

(Provisions on Reverse Side of Bond)

This bond is one of an authorized issue of general obligation bonds of the Issuer in the aggregate principal amount of \$ _____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to finance the design, acquisition, construction, equipping and provision of utilities for additional jail and criminal justice facilities in and for the Issuer, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, and Chapter 130, Florida Statutes, as amended, and other applicable provisions of law (the "Act"), and a resolution duly adopted by the Board of

County Commissioners of the Issuer on _____, 19___, as amended and supplemented (the "Resolution"), and is subject to all the terms and conditions of the Resolution.

The Issuer covenants with the Registered Holder hereof that it will levy and collect a direct annual tax, in addition to all other taxes, upon all real property within St. Johns County, including homesteads, subject to taxation under the Constitution and the laws of the State of Florida, or the decrees and judgments of its courts, without limitation as to rate or amount, for the payment of the principal of and interest on the Bonds as the same shall become due.

Neither the members of the Board of County Commissioners of the Issuer nor any person executing this bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

(INSERT REDEMPTION PROVISIONS)

Notice of redemption, unless waived, is to be given by the Registrar by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered holders of the Bonds to be redeemed at such holders' addresses shown on the registration books maintained by the Registrar or at such other addresses as shall be furnished in writing by such registered holders to the Registrar; provided, however, that no defect in any such notice to any registered holder of Bonds to be redeemed nor failure to give such notice to any such registered holder nor failure of any such registered holder to receive such notice shall in any manner defeat the effectiveness of a call for redemption as to all other registered holders of Bonds to be redeemed. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

This bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, prescribed in the Resolution. Each of the Bonds is issuable in fully registered form in the denomination of \$5,000 or any

integral multiple thereof not exceeding the aggregate principal amount of the Bonds having the same maturity. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this bond as the absolute owner hereof for all purposes, whether or not this bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated: (i) to make any exchange or transfer of Bonds during the fifteen (15) days next preceding an interest payment date or, in the case of any proposed redemption of Bonds, during the fifteen (15) days next preceding the date of selection of Bonds to be redeemed; or (ii) after the selection of Bonds for redemption, to make any exchange or transfer of Bonds so selected.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond, exist, have happened and have been performed, in regular and due form and time as required by the Constitution and laws of the State of Florida applicable thereto; that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions; and that due provision has been made for the levy and collection of a direct annual tax, in addition to all other taxes, upon all real property within St. Johns County, including homesteads, subject to taxation under the Constitution and the laws of the State of Florida, or the decrees and judgments of its courts, without limitation as to rate or amount, for the payment of the principal of and interest on the Bonds as the same shall become due.

LEGAL OPINION

[Insert appropriate approving opinion of bond counsel.]

The above is a true copy of the opinion rendered by Foley & Lardner, Jacksonville, Florida, in connection with the issuance of, and dated as of the original delivery of, the Bonds of the issue of which this bond is one. An executed copy of that opinion is on file in my office.

Clerk

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfer to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

Insert Social Security or Other
Identifying Number of Assignee

(Name and Address of Assignee)

the within bond and does hereby irrevocably constitute and appoint _____, as attorneys to register the transfer of the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. Privilege of Redemption. The terms of this Article III shall apply to all redemptions of Bonds hereunder.

SECTION 3.02. Selection of Bonds to be Redeemed. Bonds to be redeemed shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least sixty (60) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 3.03. Notice of Redemption. Unless waived by any Holder of Bonds to be redeemed, notice of any redemption made pursuant to this section shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to this section to any Holder of Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state:

- (1) the redemption date,
- (2) the Redemption Price,
- (3) if less than all outstanding Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed,
- (4) that on the redemption date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (5) that such Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price plus accrued interest at the office of the Paying Agent.

Prior to any redemption date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of and accrued interest on all the Bonds or portions of Bonds which are to be redeemed on that date.

In addition to the foregoing notice, further notice shall be given by the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to any Insurer which shall have insured any of the Bonds being redeemed and to all registered securities depositories then in the business of holding substantial amounts of obligations of types similar to the type of which the Bonds consist (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to

one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each such further notice shall be published one time in the Bond Buyer of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the Holders of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

SECTION 3.04. Redemption of Portions of Bonds. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05. Payment of Redeemed Bonds. Official notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. Each check or other transfer of funds issued by the Registrar and/or Paying Agent for the purpose of the payment of the Redemption Price of Bonds being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be cancelled by the Registrar in a manner that complies with Section 130.09, Florida Statutes, as amended, and shall not be re-issued.

ARTICLE IV

SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01. Security for Bonds. The payment of the principal and Redemption Price, if applicable, of and interest on the Bonds shall be a general obligation of the Issuer for which the full faith and credit and the ad valorem taxing power of the Issuer are hereby pledged; provided, however, that by Supplemental Resolution the Issuer may cause the Bonds to be additionally payable from and secured by an insurance policy of an Insurer.

SECTION 4.02. Funds and Accounts. The Issuer covenants and agrees to establish with the Trustee a separate account to be known as the "St. Johns County General Obligation Bonds, Series 1989 Costs of Issuance Account," which shall be used only for payment of the costs and expenses described in Section 4.03(B). The Issuer covenants and agrees to establish additionally with the Trustee separate funds to be known as the "St. Johns County General Obligation Bonds, Series 1989 Debt Service Fund" and the "St. Johns County General Obligation Bonds, Series 1989 Rebate Fund." The Trustee shall maintain in the Debt Service Fund three accounts: the "Interest Account," the "Principal Account" and the "Bond Amortization Account." Moneys in the Debt Service Fund, until applied in accordance with the provisions hereof, shall be invested by the Trustee in the manner provided by the Trust Agreement and subject to a lien and charge in favor of the Holders and for the further security of the Holders.

SECTION 4.03. Application of Bond Proceeds. The proceeds derived from the sale of the Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Bonds to the purchaser or purchasers thereof, be deposited by the Issuer with the Trustee and applied by the Trustee as follows:

(A) Accrued and capitalized interest shall be deposited in the Interest Account.

(B) A sum sufficient to pay all costs and expenses in connection with the preparation, issuance and sale of the Bonds, including fees of financial advisors, architectural, engineering and other consulting fees, legal fees, bond insurance premiums, printing fees, rating agency fees and all other similar costs, as shall be furnished by the Issuer to the Trustee in writing signed by the Authorized Issuer Officer, shall be deposited to the credit of the Costs of Issuance Account, and all such costs and expenses shall be promptly paid by the Trustee to the Persons respectively entitled to receive the same. When all moneys on deposit to the credit of the Costs of Issuance Account shall have been disbursed

by the Trustee for the payment of such costs and expenses, the Costs of Issuance Account shall be closed; provided, however, that if any balance shall remain in the Costs of Issuance Account six months after issuance of the Bonds, such moneys shall be transferred by the Trustee to the Construction Fund and the Costs of Issuance Account shall be closed. After the Costs of Issuance Account shall be closed, the Issuer shall caused to be paid from the Construction Fund any unpaid issuance expenses.

(C) The balance of the Bond proceeds shall be deposited in the Construction Fund.

SECTION 4.04. Construction Fund. The Issuer covenants and agrees to establish with the Trustee a separate fund to be known as the "St. Johns County 1989 Jail and Criminal Justice Facilities Construction Fund," which shall be used only for payment of the Cost of the Project. Moneys in the Construction Fund, until applied in payment of any item of the Cost of the Project in the manner hereinafter provided, shall be held in trust by the Trustee and invested in Authorized Investments as directed by the Issuer in writing signed by the Authorized Issuer Officer.

There may be paid into the Construction Fund also, at the option of the Issuer, any moneys received for or in connection with the Project by the Issuer from any other source, and the proceeds of insurance or of contractors' performance bonds with respect to the Project shall be deposited into the Construction Fund.

The Issuer shall cause the Trustee to make disbursements or payments from the Construction Fund to pay the Cost of a Project upon the filing with the Trustee of requisitions signed by an Authorized Issuer Officer stating with respect to each disbursement or payment to be made: (1) the item number of the payment, (2) the name and address of the Person to whom payment is due, (3) the amount to be paid, (4) the purpose, by general classification, for which payment is to be made, and (5) that (A) each obligation, item of cost or expense mentioned therein has been properly incurred, is in payment of a part of the Cost of the Project and is a proper charge against the Construction Fund and has not been the basis of any previous disbursement or payment, or (B) each obligation, item of cost or expense mentioned therein has been paid by the Issuer, is a reimbursement of a part of the Cost of the Project, is a proper charge against the Construction Fund, has not been theretofore reimbursed to the Issuer or otherwise been the basis of any previous disbursement or payment and the Issuer is entitled to reimbursement thereof. The Trustee shall retain all such requisitions of the Authorized Issuer Officers for seven (7) years from the dates thereof. The Trustee shall

make available the requisitions at all reasonable times for inspection by any member of the public.

The date of completion of the Project shall be determined by the Authorized Issuer Officer who shall certify such fact in writing to the Governing Body and to the Trustee. Promptly 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 Trustee shall deposit any balance of moneys remaining in the Construction Fund first to the Debt Service Fund, to the extent of any deficiency therein, and after providing for any deficiency in the Debt Service Fund to such other fund or account of the Issuer as shall be determined by Supplemental Resolution, provided the Issuer has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds from gross income for federal income tax purposes.

SECTION 4.05. Flow of Funds. All of the moneys collected and received by the Tax Collector of the Issuer as proceeds of the ad valorem tax levied by the Issuer for the purpose of paying the principal and Redemption Price, if applicable, of and interest on the Bonds and all moneys received by the Tax Collector of the Issuer on account of property sold for such taxes shall be deposited by the Tax Collector of the Issuer with the Trustee, promptly as received by the Tax Collector of the Issuer and not less frequently than monthly, for deposit by the Trustee in the Debt Service Fund. The moneys on deposit in the Debt Service Fund shall be applied by the Trustee in the manner provided herein solely for the payment of the principal and Redemption Price, if applicable, of and interest on the Bonds and shall not be available for any other purpose. The moneys received by the Trustee for deposit to the Debt Service Fund shall be deposited or credited in the following manner and in the following order of priority:

(1) Interest Account. The Trustee shall deposit into or credit to the Interest Account the sum which, together with the balance in said account, shall equal the interest on all Outstanding Bonds accrued and unpaid and to accrue through the end of the then current Bond Year. Moneys in the Interest Account shall be applied by the Trustee to pay interest on the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose.

(2) Principal Account. Next, the Trustee shall deposit into or credit to the Principal Account the sum which, together with the balance in said account, shall equal (a) the principal amount of all Outstanding Bonds other than Term Bonds due and unpaid and (b) the principal amount of the Bonds other than Term Bonds which shall thereafter mature during the then current Bond Year. Moneys in the Principal Account shall be applied by the

Trustee to pay the principal of the Bonds other than Term Bonds as and when the same shall mature, and for no other purpose.

(3) Bond Amortization Account. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account. The Trustee shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said account, shall equal (a) the principal amount of all such Outstanding Term Bonds due and unpaid and (b) the amount of the Amortization Installment due in the then current Bond Year. Moneys in the Bond Amortization Account shall be applied by the Trustee to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment shall be applied by the Trustee, at the option of the Issuer, upon notice thereof in writing signed by an Authorized Issuer Officer, on or prior to the sixtieth (60th) day preceding the due date of such Amortization Installment (i) to the purchase of Term Bonds of the maturity for which such Amortization Installment was established, at a price not greater than the Redemption Price at which such Term Bonds may be redeemed on the first date thereafter on which such Term Bonds shall be subject to redemption, or (ii) to the redemption at the applicable Redemption Price of such Term Bonds. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Trustee shall pay out of the Bond Amortization Account and the Interest Account to the respective Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Issuer from its general funds.

(4) Rebate Fund. Finally, the Trustee shall deposit into or credit to the Rebate Fund the sum required to be deposited therein in accordance with the Code as determined pursuant to Section 4.06 hereof.

The Issuer, in its discretion, may direct the Trustee in writing signed by an Authorized Issuer Officer to use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the Issuer's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

At least one (1) business day prior to the date established for payment of any principal or Redemption Price, if applicable, or interest on the Bonds, the Trustee shall withdraw from the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

SECTION 4.06. Rebate Fund. Amounts on deposit in the Rebate Fund shall be held in trust by the Trustee and used solely to make required rebates to the United States Treasury, and the Bondholders shall have no right to have the same applied for debt service on the Bonds. The Issuer agrees to undertake all actions required of it in its arbitrage certificate, dated the date of issuance of the Bonds, relating to the Bonds, including, but not limited to:

- (1) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;
- (2) depositing into the Rebate Fund from surplus moneys in the Debt Service Fund or from any other moneys of the Issuer the amount determined in clause (1) above;
- (3) directing the Trustee to pay on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund such amounts as shall be required by the Code to be rebated to the United States Treasury; and
- (4) keeping such records of the determinations made pursuant to this Section 4.06 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

The provisions of the above-described arbitrage certificate may be amended from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

Foley & Lardner, Jacksonville, Florida, is hereby appointed to serve as rebate administrator hereunder with respect

to the Bonds until the Issuer shall by resolution appoint as successor rebate administrator any other Bond Counsel or any certified public accountant, bank or trust company, or other agent of the Issuer who shall be qualified to assure compliance by the Issuer with the requirements of this section. The rebate administrator is hereby authorized to hire counsel, accountants, and other experts which the rebate administrator may, in its sole discretion, determine advisable for the purpose of obtaining the required calculations of the rebate amounts and determinations as to the due dates for the rebate thereof and other matters necessary for compliance with Section 148(f) of the Code as the same relates to the Bonds. The rebate administrator will not be liable for any loss occasioned by its reliance upon the instructions of such experts or upon the Issuer's certification of the amounts earned on nonpurpose investments, as such term is defined in Section 148(b)(2) of the Code, in which gross proceeds of the Bonds shall be invested. The duties and responsibilities of the rebate administrator may be performed by more than one Person.

SECTION 4.07. Investments. All moneys in the Construction Fund and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed. Moneys on deposit in the Debt Service Fund may be invested or reinvested in the manner authorized by Section 130.12, Florida Statutes, as amended.

Any and all income received by the Trustee from the investment of moneys in the Construction Fund shall be retained therein; and any and all income received by the Trustee from the investment of moneys in the Debt Service Fund shall be deposited by the Trustee in the Interest Account, unless otherwise required by applicable law.

All investments shall be valued at cost. Nothing contained in this Resolution shall prevent any investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.08. Surplus Funds. On or prior to the final day of each Bond Year, after having made each and all of the deposits required by this article, the Trustee shall pay to the Issuer all of the funds remaining of the sums received by the Trustee from the Issuer by reason of this Resolution and the Trust Agreement, and the Issuer may use any and all moneys received by the Trustee by reason of this Section for any lawful county purpose.

ARTICLE V

COVENANTS

SECTION 5.01. Levy of Ad Valorem Taxes. The Issuer covenants and agrees that so long as any of the Bonds shall remain Outstanding hereunder it will levy and collect a direct annual tax, in addition to all other taxes levied and collected by the Issuer, upon all real property within St. Johns County, including homesteads, which shall be subject to taxation under the Constitution and the laws of the State, or the decrees and judgments of its courts, without limitation as to rate or amount, for the payment of the principal or Amortization Installment, if applicable, of and interest on the Bonds as the same shall become due.

SECTION 5.02. Books and Records. The Issuer will keep books, records and accounts of all of its revenues and expenditures in accordance with generally accepted accounting principles, and any Holder or Insurer or the duly authorized representatives thereof shall have the right at all reasonable times to inspect all such books, records and accounts of the Issuer.

The Issuer covenants that within ninety (90) days after the close of each Bond Year it will cause to be mailed to any Insurer and to Holders who shall have filed their names and addresses with the Clerk for such purpose, the report of the Trustee received after such Bond Year, which report shall show (i) the total amounts deposited during such Bond Year to the credit of each fund and account created under the provisions of this Resolution, (ii) the principal amount of all Bonds paid, purchased or redeemed during such Bond Year, and (iii) the amounts on deposit at the end of such Bond Year to the credit of each such fund and account.

SECTION 5.03. Annual Audit. The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent firm of certified public accountants, and shall require such accountants to complete their report of such Annual Audit in accordance with applicable law. Such Annual Audits shall contain, but not be limited to, a balance sheet, an income statement, a statement of changes in financial position, a statement of change in retained earnings, a statement of insurance coverage, and any other statements as required by law or accounting convention, and a certificate by such accountants disclosing any material default on the part of the Issuer of any covenant or agreement herein. Each Annual Audit shall be in conformity with generally accepted accounting principles. A copy of each Annual Audit shall regularly be furnished to any Insurer and to any Holder who shall have furnished an address to the Clerk and requested in writing that the same be furnished to such Holder.

The Issuer shall be permitted to make a reasonable charge for furnishing to any Holder such Annual Audit.

SECTION 5.04. Federal Income Tax Covenants.

(A) The Issuer covenants that it shall not knowingly use the proceeds of the Bonds in any manner which would cause the interest on the Bonds to be or become includable in the gross income of the Holder thereof for federal income tax purposes.

(B) The Issuer covenants that neither the Issuer nor any Person under its control or direction will knowingly make any use of the proceeds of the Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and neither the Issuer nor any such other Person shall knowingly do any act or fail to do any act which would cause the interest on the Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes.

(C) The Issuer hereby covenants that it will use its best efforts to comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from the gross income of the Holders thereof for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the United States Treasury pursuant to the Code.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. The following events shall each constitute an "Event of Default" hereunder:

(A) Default shall be made in the payment of the principal of, Amortization Installment for, redemption premium applicable to or interest on any Bond when due.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty (30) days after written notice of such default shall have been received from any Insurer or the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

SECTION 6.02. Remedies. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer and the Trustee or by any officer thereof. This paragraph shall not be deemed to be a waiver by the Issuer or the Trustee of their venue rights.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

SECTION 6.03. Directions to Trustee as to Remedial Proceedings. The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring the Outstanding Bonds) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the

method and place of conducting all remedial proceedings to be taken hereunder by the trustee, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 6.04. Remedies Cumulative. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 6.05. Waiver of Default. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 of this Resolution to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

SECTION 6.06. Application of Moneys After Default. If an Event of Default shall happen and shall not have been remedied, the Issuer and the Trustee or a court-appointed trustee or receiver shall apply all funds collected, recorded and received by it for Bondholders as follows and in the following order:

(A) To the payment of the reasonable and proper fees, expenses and liabilities of such trustee or receiver, the Registrar and the Paying Agent; and

(B) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption

for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

SECTION 6.07. Control by Insurer. Upon the occurrence and continuance of an Event of Default, an Insurer, if such Insurer shall have honored all of its commitments under its Bond Insurance Policy, shall be entitled to direct and control the enforcement of all rights and remedies with respect to the Bonds it shall insure.

ARTICLE VII

SUPPLEMENTAL RESOLUTIONS

SECTION 7.01. Supplemental Resolution Without Bondholders' Consent. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(D) To specify and determine at any time prior to the delivery of any of Bonds any matters and things relative to the Bonds.

(E) To modify the description of the Project.

(F) To make any other change that, in the opinion of Bond Counsel, would not materially adversely affect the security for the Bonds. In making such determination, Bond Counsel shall not take into consideration any Bond Insurance Policy.

Except Supplemental Resolutions described in subsections (D) and (E) of this Section 7.01, no Supplemental Resolution adopted pursuant to this Article VII shall become effective unless approved in writing by any Insurer; and the Issuer covenants and agrees to furnish to any Insurer an executed original transcript of the Issuer's proceedings with respect to the adoption of each Supplemental Resolution.

SECTION 7.02. Supplemental Resolution With Bondholders', Insurer's and Credit Bank's Consent. Subject only to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (D) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making

necessary the approval by Bondholders or any Insurer of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books and to the Trustee and any Insurer of Bonds Outstanding. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or 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 Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Defeasance. If the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Bonds the principal and Redemption Price, if applicable thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such bonds, shall be deemed to have been paid within the meaning of this Section 8.01 if (A) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such bank or trust company at the same time shall be sufficient, to pay the principal and Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Neither the Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal or Redemption Price, if applicable, of or interest on the Bonds shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal or Redemption Price, if applicable, of the Bonds for payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption thereof; provided, however, the Issuer may substitute new Securities and moneys for the deposited Securities and moneys if the new Securities and moneys are sufficient to pay the principal and Redemption Price, if applicable, of and interest on such Bonds, and any trust agreement governing the deposit of such Securities and moneys may provide for the investment of moneys unclaimed by Bondholders and for the payment to the Issuer of such unclaimed moneys and the investment earnings thereon.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal and Redemption Price, if applicable, of and interest on said Bonds.

Nothing herein shall be deemed to require this Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option of early redemption.

In the event that the principal and Redemption Price, if applicable, of and interest due on the Bonds or any portion thereof shall be paid by an Insurer and such Insurer shall not have been reimbursed by the Issuer, such Bonds or any portion thereof shall remain Outstanding, shall not be defeased and shall not be considered paid by the Issuer, and all covenants, agreements and other obligations of the Issuer to the Bondholders shall continue to exist and such Insurer shall be subrogated to the rights of such Bondholders.

SECTION 8.02 No Personal Liability. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Bonds, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the Governing Body, officer, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Bonds or any certificate or other instrument to be executed in connection with the issuance of the Bonds, shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 8.03 No Third Party Beneficiaries. Except such other Persons as may be expressly described herein or in the Bonds, nothing in this Resolution, or in the Bonds, expressed or implied, is intended or shall be construed to confer upon any Person other than the Issuer, the Holders and any Insurer any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Bonds, all provision hereof and thereof being intended to be and being for

the sole and exclusive benefit of the Issuer, any Insurer and the Persons who shall from time to time be the Holders.

SECTION 8.04. Sale of Bonds. The Bonds shall be issued and sold at public or private sale at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

SECTION 8.05. Validation Authorized. James G. Sisco, attorney for the Issuer, is hereby authorized and directed to institute appropriate proceedings on behalf of the Issuer in the Circuit Court for St. Johns County, Florida, for the validation of the Bonds and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer any pleadings.

SECTION 8.06 General Authority. The members of the Governing Body and the Issuer's officers, attorneys and other agents and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Bonds to effectuate the sale of the Bonds to said initial purchasers.

SECTION 8.07. Repeal of Inconsistent Resolutions. All resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 8.08. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 8.09. Table of Contents and Headings not Part Hereof. The Table of Contents preceding the body of this Resolution and the headings preceding the several articles and sections hereof shall be solely for convenience of reference and shall not constitute a part of this Resolution or affect its meaning, construction or effect.

SECTION 8.10. Effective Date. This Resolution shall become effective immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 1st day of MARCH, 1989.

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By [Signature]
its Chairman

(OFFICIAL SEAL)

ATTEST:

[Signature]
Clerk

DG13RES1

I, Carl "Bud" Markel, Clerk of the Board of County Commissioners of St. Johns County, Florida, hereby certify that the foregoing is a true and correct copy of Resolution No. 89-52 of said County passed and adopted by said Board on March 1, 1989.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Board this 3rd day of March, 1989.

[Signature]
Clerk

(OFFICIAL SEAL)

DG13RES1

EXHIBIT A

TRUST AGREEMENT

THIS TRUST AGREEMENT (this "Agreement"), made and entered into this _____ day of _____, 1989, by and between ST. JOHNS COUNTY, a political subdivision of the State of Florida (the "County"), and _____, a _____ banking _____ incorporated under the laws of _____ and authorized to exercise trust powers within the State of Florida, with its principal office in _____, Florida, as Trustee (the "Trustee");

WITNESSETH:

WHEREAS, concurrently with the execution and delivery of this Agreement, the County has issued \$_____ principal amount of General Obligation Bonds, Series 1989, dated _____ 1, 1989 (the "Bonds"), which were authorized by Resolution No. 89-__ of the Governing Body adopted on _____, 1989, as amended and supplemented (the "Bond Resolution"), copies of which Resolution No. 89-__ and all resolutions amendatory thereof and supplementary thereto are attached hereto as Exhibit A; and

WHEREAS, the Bonds were issued pursuant to Chapter 125, Part I, Florida Statutes, as amended, and also pursuant to Chapter 130, Florida Statutes, as amended, which provides that the proceeds of all bonds sold for money shall be paid over to trustees as described in said Chapter 130 and provides that ad valorem taxes levied by the County and collected by the Tax Collector of the County for the purpose of paying the principal of and interest on the Bonds shall be paid over to trustees as described in said Chapter 130; and

WHEREAS, the Trustee is willing to accept the trust created hereby and to perform with respect to the Bonds the duties required of bond trustees under Chapter 130, Florida Statutes, and of the Trustee under the Bond Resolution; and

WHEREAS, the County has by Resolution No. 89-__ of the Governing Body adopted _____, 1989 (the "Award Resolution") duly appointed the Trustee as "trustee for county bonds" pursuant to subsection (2) of Section 130.11 of said Chapter 130;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, to be performed by the parties hereto, it is hereby covenanted and agreed by and between the parties as follows:

1. The terms used in this Agreement which are defined in the Bond Resolution shall have the respective meanings assigned to them in the Bond Resolution.

2. The Trustee shall do and perform all acts required of the Trustee hereunder and under the Bond Resolution and all acts required of bond trustees under said Chapter 130.

3. The Governing Body having elected, in and by the Award Resolution, pursuant to subsection (3) of said Section 130.11, to waive the requirement of a bond of the Trustee of the type described in subsection (2) of said Section 130.11 and to take and accept in lieu thereof a bond of the type described in such subsection (3) as approved in and by the Award Resolution, the Trustee covenants and agrees to make a full, complete and proper accounting for all moneys deposited with and received by the Trustee by reason of such appointment and the terms and provisions of the Bond Resolution and of this Agreement.

4. The County shall pay over to the Trustee all of the net proceeds to be derived by the County from the sale of the Bonds promptly upon the issuance and deliver thereof to the purchaser or purchasers thereof named in the Award Resolution. All such bond proceeds received by the Trustee from the County shall be deposited by the Trustee and held and administered by the Trustee solely for the purposes and in the manner provided in the Bond Resolution. Pending application of such funds as provided in the Bond Resolution, the Trustee shall invest the portion of such funds which shall be deposited in the Construction Fund in Authorized Investments as directed by the County in writing signed on behalf of the County by an Authorized Issuer Officer.

5. The County shall direct the Tax Collector of the County to pay over to the Trustee monthly all collections by such officer of ad valorem taxes levied by the County to pay the principal of and interest on the Bonds and all moneys collected by such officer on account of property sold for such taxes. All such funds received by the Trustee from the Tax Collector shall be deposited by the Trustee in the Debt Service Fund and held and administered by the Trustee solely for the purposes and in the manner provided in the Bond Resolution. Not less than one day prior to each Interest Date, the Trustee shall withdraw from the Debt Service Fund and transfer to the Paying Agent such sums as shall be required to pay the principal and Redemption Price, if applicable, of and interest on the Bonds which shall be due on such Interest Date. Pending application of such funds as provided in the Bond Resolution, the Trustee shall invest such funds in the Debt Service Fund pursuant to authority granted for such purpose and in the investments described in Section 130.12, Florida Statutes, as amended.

6. Within ninety (90) days after the end of each Bond Year, the Trustee shall furnish to the Governing Body an annual report in compliance with Section 130.13, Florida Statutes, as amended. Such report shall include (i) the total amounts deposited by the Trustee during such Bond Year to the credit of each fund and account created under the provisions of the Bond Resolution, (ii) the principal amount of all Bonds paid, purchased or redeemed during such Bond Year and the amount of all interest paid on the Bonds during such Bond Year, and (iii) the amounts remaining on deposit with the Trustee at the end of such Bond Year to the credit of each such fund and account.

7. The Trustee may resign or may be removed as provided in Section 130.14, Florida Statutes, as amended.

8. Any vacancy in the office of Trustee shall be filled as provided in Section 130.15, Florida Statutes, as amended.

9. The Trustee may in good faith, buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholder may be entitled to take with like effect as if the Trustee were not a party to this Agreement. The Trustee may also engage in or be interested in any financial or other transaction with the County and may act upon, or as depository, trustee or agent for, any committee or body of Holders of the Bonds or any other obligations of the County as freely as if it were not Trustee hereunder.

10. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, affidavit, or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper parties purporting to have done so, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such document, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statement.

11. The Trustee accepts and agrees to execute the trust hereby created, but only upon the terms set forth in this Agreement. The Trustee hereby waives the right to compensation at the rate specified in Section 130.16, Florida Statutes, as amended, for its services hereunder or in anywise pertaining to the Bonds (except as may be provided in any other agreement in writing duly authorized and executed by the County) and agrees that it shall

be entitled only to receive as compensation for such services a fee to be calculated according to the following:

12. The Trustee may construe any of the provisions of this Agreement, insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any reasonable construction by the Trustee in good faith shall be binding upon the parties hereto.

13. This Agreement is and shall be deemed to have been made for the benefit of the Holders from time to time of the Bonds and shall be enforceable by the Holders in the manner provided in the Bond Resolution, in Chapter 130, Florida Statutes, as amended, or in any other applicable law.

14. To the extent allowed by Florida law, the County agrees to indemnify the Trustee for, and to hold the Trustee harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee arising out of or in connection with its entering into this Agreement and carrying out its duties hereunder, including the cost and expenses of defending itself against any claim made hereunder.

15. The Trustee shall not be liable for any loss upon the investment or liquidation of any of the securities held by the Trustee by reason of investment of funds deposited with it pursuant to the terms hereof, where such investment or liquidation shall have been made in accordance with the provisions of this Agreement, the provisions of the Bond Resolution, and the provisions of Chapter 130, Florida Statutes, as amended.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By: _____
Chairman, Board of County
Commissioners

ATTESTED AND COUNTERSIGNED:

Clerk, Board of County
Commissioners

Trustee

By: _____

Its: _____

ATTEST:

Its:

DG11STJTA1