

**RESOLUTION NO. 96-196**

A RESOLUTION AUTHORIZING THE CONVERSION OF THAT CERTAIN \$461,785 ST. JOHNS COUNTY REVENUE LINE OF CREDIT NOTE, ADVANCE NUMBER 1, SERIES 1994 TO A TERM OBLIGATION FULLY AMORTIZING OVER A PERIOD OF SIX YEARS AND MATURING ON MAY 1, 2002; AUTHORIZING A COVENANT TO BUDGET AND APPROPRIATE, BY AMENDMENT, IF NECESSARY, SUFFICIENT NON-AD VALOREM REVENUES TO REPAY THE CONVERTED NOTE; AMENDING THE LINE OF CREDIT AGREEMENT TO ADD THE COVENANT TO BUDGET AND APPROPRIATE FOR THE TERM NOTE; AND REPEALING ALL CONTRARY PRIOR RESOLUTIONS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

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

**SECTION 1. AUTHORITY FOR THIS RESOLUTION:** This Resolution is adopted pursuant to the provisions of Chapter 125, Florida Statutes and other applicable provisions of law.

**SECTION 2. FINDINGS.** It is hereby ascertained, determined and declared:

(A) The County has previously entered into that certain Line of Credit Agreement (the "Credit Agreement"), dated as of December 5, 1994, between it and Sun Bank, National Association, now known as SunTrust Bank, Central Florida, National Association ("SunTrust"), which the County authorized pursuant to the County's Resolution 94-206.

(B) Pursuant to the Credit Agreement, and in accordance with its terms, the County is permitted to request multiple advances under the Credit Agreement to finance certain capital infrastructure improvements within certain Municipal Service Benefit Units within the boundaries of the County.

(C) Pursuant to the Credit Agreement, each Advance shall be for the benefit of one Municipal Benefit Service Unit and is evidenced by one or more Revenue Line of Credit Notes (collectively, the "Notes"), which Notes are payable on an annual interest only basis with principal due at maturity.

(D) Pursuant to Section 3.02(c) of the Credit Agreement, the County may request that SunTrust (at its discretion, and subject to other conditions precedent) convert any of the Notes into a term debt obligation to be amortized and paid over a time certain.

(E) The County has requested that its Revenue Line of Credit Note, Advance Number, 1, Series 1994 payable from the Designated Revenues obtained by resort to the County's Treasure Beach Canal Municipal Service Benefit Unit Special Assessments in the outstanding principal amount of \$461,785 ("Note #1") (authorized by the County by its Resolution 94-207) be converted into a term obligation, subject to and governed by the terms of the Credit Agreement, amortizing over a period of six (6) years, payable in amortization installments on each May 1, beginning May 1, 1997, such that the Note is retired and fully repaid by no later than May 1, 2002.

(F) Pursuant to the request of SunTrust, the County has agreed to augment the Designated Revenues (as such term is defined collectively by the Credit Agreement, Resolution 94-207 and Note #1) currently securing Note #1 with a covenant to budget and appropriate from Non-Ad Valorem Revenues (as defined herein).

**SECTION 3. AUTHORIZATION OF TERM NOTE.** The County hereby authorizes the Chairman (or Vice-Chairman in his absence or unavailability) and the Clerk (or a Deputy Clerk in his absence or unavailability) to execute and deliver on behalf of the County the ST. JOHNS COUNTY, FLORIDA REVENUE LINE OF CREDIT TERM NOTE, ADVANCE NUMBER 1, SERIES 1994 (TREASURE BEACH CANAL MUNICIPAL SERVICE BENEFIT UNIT) (the "Term Note") by the County to the order of the Bank substantially in the form attached hereto as Exhibit "A", at the rate and upon the terms set forth therein, with such changes, insertions and additions as they may approve, their execution thereof being evidence of such approval.

**SECTION 4. LIMITED OBLIGATION.** The obligation of the County to repay amounts under the Term Note is a limited and special obligation payable solely, except as set forth in Section 5 hereof, from the Designated Revenues (as defined collectively by the Credit Agreement, Resolution 94-207 and Note #1) in the manner and to the extent set forth in the Credit Agreement and shall not be deemed a pledge of the faith and credit or taxing power of the County and such obligation shall not create a lien on any property whatsoever of or in the County other than the Designated Revenues (as defined collectively by the Line of Credit Agreement, Resolution 94-207 and Note #1).

**SECTION 5. COVENANT TO BUDGET AND APPROPRIATE.** In addition to, and notwithstanding, the payment source set forth in Section 4 hereof, until the Term Note is paid or deemed paid pursuant to its provisions, the County hereby authorizes a covenant to appropriate in its annual budget, by amendment if necessary, from Non-Ad Valorem Revenues lawfully available in each fiscal year of the County in which principal or interest on the Term Note

becomes due and payable or otherwise remains outstanding, amounts sufficient, together with the Designated Revenues to pay the principal of and interest on the Term Note, as the same becomes due (whether by redemption, at maturity or otherwise). Such covenant and agreement on the part of the County to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such budgeted Non-Ad Valorem Revenues and the Designated Revenues are sufficient to make all such required payments hereunder and under the Term Note and shall have been actually paid. The Non-Ad Valorem Revenues actually budgeted in any given year shall constitute "Designated Revenues" in the Credit Agreement. Notwithstanding the foregoing authorized covenant of the County, the County does not covenant to maintain any services or programs, now or later provided or maintained by the County, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate lawfully available Non-Ad Valorem Revenues does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the County from pledging in the future its Non-Ad Valorem Revenues or making the same or similar covenant for other contractual indebtedness; nor does it require the County to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the holder of the Term Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the County. Such covenant to appropriate Non-Ad Valorem Revenues is subordinate and subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). Such covenant to budget and appropriate Non-Ad Valorem Revenues shall not in any way detract from the pledge of and lien on the Designated Revenues provided in the Credit Agreement. However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of the principal of and interest on the Term Note in the manner described herein Non-Ad Valorem Revenues budgeted for such purpose and placing on the County a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the conditions hereof and to the restrictions of Florida laws regulating county budgets, including Section 129.07, Florida Statutes, which provides, in part, that it is unlawful for the board of county commissioners of a county to expend or contract for the expenditure in any fiscal year more than the amount budgeted in each fund's budget and in no case shall the total appropriations of any budget be exceeded, except as provided pursuant to Section 129.06, Florida Statutes; and subject, further, to the prior payment from Non-Ad Valorem Revenues of services and programs which (i) are for essential public purposes affecting the health, welfare or safety of the inhabitants of the County and/or (ii) are legally mandated by applicable law and/or (iii) are for the services for which the revenues were received. The County's determination that a service is an essential public purpose shall be conclusive.

For purposes of this Resolution and the Term Note, "Non-Ad Valorem Revenues" shall mean all legally available revenues of the County derived from any source whatsoever other than (i) ad valorem tax revenues on real and personal property (ii) pledged non-ad valorem revenues,

(iii) assessments (other than Designated Revenues), and (iv) revenues that are restricted or required by law or contract for other uses.

**SECTION 6. AMENDMENT OF CREDIT AGREEMENT.** By its execution of the acknowledgment and agreement at the end of this Resolution, or a copy hereof, and by its acceptance of the Term Note, SunTrust hereby agrees to an amendment of the Credit Agreement to reflect the addition of the covenant to budget and appropriate set forth in Section 5 above as a source of additional revenues for the Term Note in addition to the Treasure Beach Municipal Service Benefit Unit Special Assessments, which currently secure Note #1. The County acknowledges that the principal amount of the Term Note continues to work a concomitant reduction in the amount available for Advances under the Credit Agreement (*i.e.*, it reduces such amount that is available for Advances by the full \$461,785). The Credit Agreement shall remain operative, extant, and effective so long as any notes, including the Term Note, remain outstanding.

**SECTION 7. GENERAL AUTHORIZATION.** The Chairman, Vice-Chairman and Clerk of the Board and other employees or agents of the County are authorized to execute and deliver such documents, instruments and contracts, and are hereby authorized and directed to do all acts and things required hereby as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution including without limitation, the execution of Non-arbitrage certificates, Internal Revenue Service Form 8038-G's, Certificates as to no-default under the Credit Agreement, Florida Division of Bond Finance Information and Disclosure forms, and such other forms or certificates as may be requested by Bond Counsel.

**SECTION 8. REPEAL OF INCONSISTENT DOCUMENTS.** All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

**SECTION 9. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

**ADOPTED** this 22 day of October, 1996.



**BOARD OF COUNTY  
COMMISSIONERS OF ST. JOHNS  
COUNTY, FLORIDA**

Donald Jordan  
Chairman Donald Jordan

ATTEST: Carol B. Munkel  
Clerk

**Acknowledgment and Agreement.** SunTrust Bank, Central Florida, National Association acknowledges receipt of a copy of its Resolution and agrees to the provisions thereof.

**SUNTRUST BANK, CENTRAL  
FLORIDA, NATIONAL ASSOCIATION**

By: Edward Smith  
its

EXHIBIT "A"

FORM OF TERM NOTE

ST. JOHNS COUNTY, FLORIDA  
REVENUE LINE OF CREDIT TERM NOTE,  
ADVANCE NUMBER 1, SERIES 1994  
(TREASURE BEACH CANAL MUNICIPAL SERVICE BENEFIT UNIT)

Principal Sum  
\$461,785.00

Date of Conversion  
October 23, 1996

FOR VALUE RECEIVED, ST. JOHNS COUNTY, FLORIDA (the "County"), hereby promises to pay to the order of SUNTRUST BANK, CENTRAL FLORIDA, NATIONAL ASSOCIATION, formerly known as Sun Bank, National Association, a national banking association, or its registered assigns (the "Noteholder"), at 200 South Orange Avenue, Orlando, Florida, or at such other place as the Noteholder may from time to time designate in writing, but solely from the Designated Revenues, defined collectively by the Line of Credit Agreement hereafter referenced, County Resolution 94-207 and Note #1 as such note is described in County Resolution 96-\_\_ and moneys derived from the covenant to budget described herein as authorized by said County Resolution 96-\_\_, the Principal Sum stated above, that has been advanced to the County by the Noteholder pursuant to that certain Line of Credit Agreement by and between the Noteholder and the County dated as of December 5, 1994 (the "Line of Credit Agreement"), together with interest thereon as hereinafter provided. This Note is payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Payments hereunder shall be made to the Noteholder hereof by check mailed to the Noteholder at the address designated in writing by the Noteholder for purposes of payment or by bank wire or bank transfer as the Noteholder may specify in writing to the County or otherwise as the County and the Noteholder may agree.

Payment Terms. This Note is payable, unless prepaid or accelerated, in annual installments of principal and accrued interest on each May 1, beginning May 1, 1997, sufficient to amortize the Note so that it is fully retired and repaid on May 1, 2002. Attached hereto as Schedule I is the debt service schedule on this Note.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Line of Credit Agreement.

The principal sum of this Note shall bear interest at a Note Rate (as defined in the Line of Credit Agreement) of 5.45% from the date of this Note until the date on which all principal and all unpaid interest accrued thereon shall be due and payable in full, which such date, if not sooner due to acceleration or prepayment, shall be, as referenced above, May 1, 2002 (the "Final Maturity Date"). Interest on the Note shall be computed on the basis of a 360 day year consisting of twelve (12) thirty (30) day months. Upon the occurrence of one or more of the events specified in Section 3.04 of the Line of Credit Agreement, the Note Rate shall be adjusted as therein provided. The Noteholder shall provide the County with documentation to evidence any adjustment to the Note Rate made under Section 3.04 of the Line of Credit Agreement.

Note is one of Notes Referenced in Line of Credit Agreement. This Note is one of the Notes authorized to be issued by the County to evidence its borrowing of certain amounts under the line of Credit Agreement up to the principal amount of not to exceed \$6,000,000 under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 125, Florida Statutes, as amended and supplemented, the County's Ordinance No. 86-89, and other applicable provisions of law, the County's Resolution No. 94-206 effective November 8, 1994, the County's Resolution No.94-207 effective November 8, 1994, and the County's Resolution No.96-\_\_\_ effective September \_\_, 1996, and is subject to all terms and conditions of said Resolutions (the "Resolutions"). Any term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Resolutions or the Line of Credit Agreement, as the case may be. This Note represents a term conversion of the County's Revenue Line of Credit Note, Advance Number, 1, Series 1994 in the outstanding principal amount of \$461,785 ("Note #1") in accordance with the terms and conditions of Section 3.02(c) of the Line of Credit Agreement. Accordingly Note #1 is deemed paid in full.

Note is Conversion of Prior Note to Noteholder. In connection with the conversion of Note #1 to a term obligation evidenced by this Note, the Noteholder has requested, and the County has authorized, that in addition to the Designated Revenues securing the Note under the Credit Agreement, this Note shall also be payable in the manner provided by a covenant to budget and appropriate by the County as authorized in its Resolution 96-\_\_\_\_\_.

Note is Also Payable in the Manner Provided by Covenant to Budget and Appropriate. Until this Note is paid or deemed paid pursuant to its provisions, the County has authorized a covenant to appropriate in its annual budget, by amendment if necessary, from Non-Ad Valorem Revenues lawfully available in each fiscal year of the County in which principal or interest on the Note becomes due and payable or is otherwise outstanding, amounts sufficient, together with the Designated Revenues, to pay the principal of and interest on the Note, as the same becomes due (whether by redemption, at maturity or otherwise). Such covenant and agreement on the part of the County to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such budgeted Non-Ad Valorem Revenues and the Designated Revenues are sufficient to make all such required payments hereunder and under the Term Note and shall have been actually paid. The Non-Ad Valorem

Revenues actually budgeted in any given year shall constitute "Designated Revenues" in the Line of Credit Agreement. Notwithstanding the foregoing authorized covenant of the County, the County does not covenant to maintain any services or programs, now or later provided or maintained by the County, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate lawfully available Non-Ad Valorem Revenues does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the County from pledging in the future its Non-Ad Valorem Revenues, or making the same or similar covenant for other contractual indebtedness; nor does it require the County to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Noteholder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the County. Such covenant to appropriate Non-Ad Valorem Revenues is subordinate and subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). Such covenant to budget and appropriate Non-Ad Valorem Revenues shall not in any way detract from the pledge of and lien on the Designated Revenues provided in the Credit Agreement. However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of the principal of and interest on the Term Note in the manner described herein Non-Ad Valorem Revenues budgeted for such purpose and placing on the County a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the conditions hereof and to the restrictions of Florida laws regulating county budgets including Section 129.07, Florida Statutes, which provides, in part, that it is unlawful for the board of county commissioners of a county to expend or contract for the expenditure in any fiscal year more than the amount budgeted in each fund's budget and in no case shall the total appropriations of any budget be exceeded, except as provided pursuant to Section 129.06, Florida Statutes; and subject, further, to the prior payment from Non-Ad Valorem Revenues of services and programs which (i) are for essential public purposes affecting the health, welfare or safety of the inhabitants of the County and/or (ii) are legally mandated by applicable law and/or (iii) are for the services for which the revenues were received. The County's determination that a service is an essential public purpose shall be conclusive and final.

For purposes of this Note, "**Non-Ad Valorem Revenues**" shall mean all legally available revenues of the County derived from any source whatsoever other than (i) ad valorem tax revenues on real and personal property, (ii) pledged non-ad valorem revenues, (iii) assessments (other than Designated Revenues), and (iv) monies that are restricted or required by law or contract for other uses.

Prepayment. The County may prepay this Note in whole or in part without penalty or premium out of any monies of the County legally available therefor. Each prepayment shall be made on such date and in such principal amount as shall be specified by the County in a written notice delivered to the Noteholder not more than fifteen (15) and not less than five (5) days prior



to the specified prepayment date. Any prepayment shall be applied first to accrued but unpaid interest hereon, then to other charges, if any, due the Noteholder by reason of this Note, and thereafter to the principal sums last maturing hereunder.

Usury Savings Clause, Statutory Interest Cap. In no event shall the interest contracted for, charged or received in connection with the Line of Credit Agreement and this Note (including any other costs and considerations that constitute interest under the laws of the State of Florida) ever exceed the least of:

(a) the interest and other costs and considerations constituting interest that have been contracted for in this Note and the Line of Credit Agreement;

(b) the interest and other costs and considerations constituting interest that would represent interest at the maximum rate of nonusurious interest allowed under the laws of the State of Florida as presently in effect; provided, however, that if such maximum rate of nonusurious interest hereafter is increased by such laws, commencing on the date such increase becomes lawful, the increased maximum rate of nonusurious interest, but in no event shall any amount ever be paid or payable by the County greater than the amount contracted for herein; and

(c) the amounts that would represent interest at the maximum rate of lawful interest permitted by Section 215.84(3), Florida Statutes, as presently in effect and to the extent an increase is allowable by such laws.

In the event the maturity of this Note is accelerated or prepaid in accordance with the provisions hereof, then such amounts that constitute payments of interest, together with any costs or considerations which constitute interest under the laws of the State of Florida, may never exceed an amount which would result in payment of interest at a rate in excess of that permitted by Section 215.84(3) of the Florida Statutes as presently in effect and to the extent an increase is allowable by such laws; and excess interest, if any shall be canceled automatically as of the date of such acceleration, or, if theretofore paid, shall be credited on the principal amount of this Note unpaid, but such crediting shall not cure or waive any default under the Line of Credit Agreement or Resolution.

THIS NOTE, WHEN DELIVERED BY THE COUNTY PURSUANT TO THE TERMS OF THE LINE OF CREDIT AGREEMENT AND THE RESOLUTION, SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE COUNTY OR OF THE STATE OF FLORIDA (THE "STATE"), WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATIONS OF INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM THE DESIGNATED REVENUES AND THE BUDGETED NON-AD VALOREM REVENUES DESCRIBED HEREIN, AS PROVIDED IN THE LINE OF CREDIT AGREEMENT AND THE RESOLUTIONS. THE NOTEHOLDER SHALL NEVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE COUNTY OR THE

STATE, OR TAXATION IN ANY FORM OF ANY PROPERTY THEREIN TO PAY THIS NOTE OR THE INTEREST THEREON.

Upon the occurrence of an Event of Default the principal of this Note may become or be declared due and payable before the Final Maturity Date in the manner, with the effect and subject to the conditions set forth in the Line of Credit Agreement and Resolutions. The Noteholder shall also have such other remedies as described in the Line of Credit Agreement.

Waivers by County. The County hereby waives presentment, demand, protest and notice of dishonor. This Note is governed and controlled by the Line of Credit Agreement and reference is hereby made thereto regarding interest rate adjustments, acceleration, and other matters.

IN WITNESS WHEREOF, the County has caused this Note to be signed by its Chair of the Board of County Commissioners, either manually or with facsimile signature, and the seal of the County to be affixed hereto or imprinted or reproduced hereon, and attested by the Clerk of Courts, either manually or with facsimile signature, and this Note to be dated the Date of Issuance set forth above.

ST. JOHNS COUNTY

(SEAL)

By: \_\_\_\_\_  
Chair of the Board of Commissioners of  
St. Johns County, Florida

ATTEST: \_\_\_\_\_  
Clerk of the Circuit Court

SCHEDULE I

DEBT SERVICE SCHEDULE

ST. JOHNS COUNTY, FLORIDA  
REVENUE LINE OF CREDIT TERM NOTE,  
ADVANCE NUMBER 1, SERIES 1994  
(TREASURE BEACH CANAL MUNICIPAL SERVICE BENEFIT UNIT)

<u>Period Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
May 1, 1997	\$70,785.00	5.450%	\$13,142.91	\$83,927.91	\$83,927.91
May 1, 1998	70,000.00	5.450%	21,309.50	91,309.50	91,309.50
May 1, 1999	74,000.00	5.450%	17,494.50	91,494.50	91,494.50
May 1, 2000	78,000.00	5.450%	13,461.50	91,461.50	91,461.50
May 1, 2001	82,000.00	5.450%	9,210.50	91,210.50	91,210.50
May 1, 2002	87,000.00	5.450%	4,741.50	91,741.50	91,741.50