

RESOLUTION NO. 96- 204

A RESOLUTION APPROVING THE ISSUANCE BY THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY OF ITS HOSPITAL REVENUE BONDS (FLAGLER HOSPITAL, INC. PROJECT), SERIES 1996A AND HOSPITAL REVENUE BONDS (FLAGLER HOSPITAL, INC. PROJECT), SERIES 1996B, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$56,000,000 IN ORDER TO OBTAIN FUNDS TO LOAN TO FLAGLER HOSPITAL, INC. (THE "HOSPITAL") FOR THE PURPOSES OF (A) REFUNDING THE OUTSTANDING ST. JOHNS COUNTY, FLORIDA, HOSPITAL REVENUE BONDS, 1986 SERIES A (FLAGLER HOSPITAL, INC. PROJECT), (B) PAYING OR REIMBURSING THE HOSPITAL FOR THE COSTS OF THE ACQUISITION, RENOVATION, CONSTRUCTION AND INSTALLATION OF CERTAIN HEALTH CARE FACILITIES LOCATED OR TO BE LOCATED AT 400 HEALTH PARK BOULEVARD, SOUTH OF THE CITY LIMITS OF ST. AUGUSTINE, FLORIDA, AND TO BE OWNED AND OPERATED BY THE HOSPITAL, AND (C) PAYING A PORTION OF THE COSTS OF ISSUING THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. DEFINITIONS. The terms used in this resolution shall have the respective meanings assigned to them in the Bond Resolution, as hereinafter defined, and in this Section, unless the text hereof clearly otherwise requires.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Section 125.01(1)(z), Florida Statutes, as amended, Chapter 159, Part II, Florida Statutes, as amended, and other applicable provisions of law.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

A. At the request of Flagler Hospital, Inc. (the "Hospital"), St. Johns County, Florida (the "County"), has heretofore issued \$23,300,000 in aggregate principal amount of its Hospital Revenue Bonds, 1986 Series A (Flagler Hospital, Inc. Project) (the "Series 1986 Bonds"), pursuant to a Trust Indenture dated as of August 1, 1986, between the County and Irving Trust Company, now known as The Bank of New York, as trustee (the "Trustee"), as amended and supplemented (the "Indenture").

B. The County issued the Series 1986 Bonds for the purpose of providing funds to make a loan to the Hospital pursuant to the terms of a Loan Agreement dated as of August 1, 1986, between the County and the Hospital, as amended and supplemented (the "Loan Agreement"), for the purpose of financing the cost of the acquisition, construction and equipping of a new 115-bed acute care general hospital facility located at 400 Health Park Boulevard, south of the city limits of the City of St. Augustine, Florida (the "City"), to be owned and used by the Hospital.

C. The Hospital has requested that the St. Johns County Industrial Development Authority (the "Authority") issue its Hospital Revenue Bonds (Flagler Hospital, Inc. Project), Series 1996A and Hospital Revenue Bonds (Flagler Hospital, Inc. Project), Series 1996B, in an aggregate principal amount not to exceed \$56,000,000 (the "Bonds"), in order to obtain funds to loan to the Hospital for the purposes of (i) refunding the outstanding Series 1986 Bonds, (ii) paying or reimbursing the Hospital for the costs of the acquisition, renovation, construction and installation of certain health care facilities (the "Project," as hereinafter described), and (iii) paying a portion of the costs of issuance of the Bonds.

D. The Authority is a public body corporate and politic duly created and existing under laws of the State of Florida and is duly authorized and empowered by Chapter 159, Parts II and III, Florida Statutes, as amended (the "Act"), to provide for the issuance of and to issue and sell its industrial development revenue bonds for the purpose of financing or refinancing all or any part of the "cost" of any "project," including any "health care facility" (as such terms are defined in the Act), in order to promote and foster the economic growth and development of the County and of the State of Florida (the "State"), to increase purchasing power and opportunities for gainful employment, and to advance and improve the prosperity and the welfare of the State and its inhabitants, to improve health care and living conditions within the County, to foster the industrial and business development of the County and to otherwise provide for and contribute to the health, safety and welfare of the people of the State.

E. The Project consists of the acquisition, renovation, construction and installation of certain health care facilities, including the construction of a five-story acute care hospital patient tower containing approximately 156,000 square feet, which will provide space for 63 private patient rooms, including a 12-bed critical care unit, consolidated emergency services, patient billing services, radiology, nuclear medicine and cardiology imaging services; the renovation of approximately 35,000 square feet of the existing Flagler East Campus hospital building to expand the areas used for the central power plant, laboratory, dietary and dining; the construction of a new obstetrics/women's in-patient unit on the Flagler East Campus; and the acquisition and installation of equipment and furnishings related to the foregoing and to the Hospital's existing facilities; all located or to be located at 400 Health Park Boulevard, south of the city limits of St. Augustine, Florida, and to be owned and operated by the Hospital.

F. The Hospital has submitted to the Board of County Commissioners of the County (the "Board") a copy of Resolution No. 96-6 adopted by the Authority (the "Bond Resolution") authorizing the issuance by the Authority of the Bonds for the purposes aforesaid.

G. The Bond Resolution shows that it was duly adopted by the Authority on October 30, 1996, after a public hearing, which public hearing was duly conducted by the Authority on that date upon reasonable public notice, and that at such hearing members of the public were afforded reasonable opportunity to be heard on all matters pertaining to the refunding of the outstanding Series 1986 Bonds, to the location and nature of the Project and to the issuance of the Bonds.

H. By the Bond Resolution, the Authority has recommended and requested that the Board approve the issuance of the Bonds, in order to satisfy the requirements of Section 147(f)(2)(ii) of the Internal Revenue Code of 1986, as amended (together with the Regulations promulgated under such Code, whether proposed, temporary or final, the "Code"), and the requirements of Section 159.47(1)(f) and 125.01(1)(z), Florida Statutes, as amended, all so that the interest on the Bonds will be excluded from gross income for federal income purposes under applicable provisions of the Code.

I. The Bond Resolution shows that the Authority has acted in accordance with all requirements of law and has made appropriate provisions for the Bonds to be issued and sold and for the proceeds of the Bonds to be used in accordance with all applicable requirements of law, and that the refunding of the outstanding Series 1986 Bonds and financing of a part of the costs of the Project in the manner provided in the Bond Resolution will serve significant public purposes as provided in the Act.

J. The purposes of the Act will be effectively served, and it is necessary and desirable and in the best interest of the County that, the issuance of the Bonds be approved by the Board.

SECTION 4. APPROVAL OF ISSUANCE OF BONDS. The issuance of the Bonds as contemplated by the Bond Resolution and the documentation attached as exhibits thereto, and the method of sale of the Bonds as provided in the Bond Resolution are hereby approved.

SECTION 5. OTHER ACTION. The officers of the County are hereby authorized and directed to execute and deliver, or approve the execution and delivery of, such other documents and to take or approve the taking of such other actions as may be advised by the County's counsel or Foley Lardner Weissburg & Aronson, Bond Counsel, to be necessary or appropriate in connection with the consummation of the transactions contemplated by this Resolution, including the delivery of instructions to the 1986 Trustee for the application and investment of moneys in the Bond Fund (established under the 1986 Indenture) held for the purpose of defeasing the Series 1986 Bonds.

SECTION 6. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflict, are hereby superseded and repealed.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 12th day of November, 1996.

By *Ronald Jordan*
Chairman of the Board of County
Commissioners of St. Johns
County, Florida

(OFFICIAL SEAL)

ATTEST: CARL "BUD" MARKEL, CLERK

Carl Bud Markel
Clerk of the Circuit Court,
ex-officio Clerk of the Board
of the County Commissioners
of St. Johns County, Florida