RESOLUTION NO. 2003-

RESOLUTION AMENDING AND SUPPLEMENTING RESOLUTION NO. 92-103 ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, ON JUNE 23, 1992, WHICH RESOLUTION AUTHORIZED THE ISSUANCE BY THE COUNTY OF TRANSPORTATION IMPROVEMENT REVENUE BONDS; FOR THE PURPOSE OF AMENDING THE DEFINITION OF "DEBT SERVICE REQUIREMENT" CONTAINED THEREIN TO TAKE INTO ACCOUNT THE AMOUNT OF INVESTMENT EARNINGS RECEIVED ON MONEYS ON DEPOSIT IN THE DEBT SERVICE FUND ESTABLISHED PURSUANT THERETO IN THE CALCULATION OF THE AMOUNT OF THE "DEBT SERVICE REQUIREMENT," AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is desirable and in the best financial interest of St. Johns County, Florida (the "Issuer") to amend the definition of "Debt Service Requirement" contained in Resolution No. 92-103 ("Resolution No. 92-103") adopted by the Board of County Commissioners of St. Johns County, Florida (the "Board"), on June 23, 1992, as supplemented, particularly as supplemented by Resolution No. 2003-213 adopted by the Board on November 4, 2003 (collectively, the "Resolution"), for the purpose of amending the definition of "Debt Service Requirement" contained therein to take into account the amount of investment earnings received on moneys on deposit in the Debt Service Fund established pursuant thereto in the calculation of the amount of the "Debt Service Requirement," as hereinafter provided (capitalized terms used herein but not defined herein shall have the meanings assigned to such terms in the Resolution); and

WHEREAS, pursuant to Section 7.03 of Resolution No. 92-103, the Issuer may amend the Resolution by Supplemental Resolution provided that (i) if all of the Bonds Outstanding thereunder are insured as to payment of principal and interest by an Insurer or Insurers, such Insurer or Insurers are not in default under their respective Bond Insurance Policies, and (ii) the Bonds shall then be rated by the rating agencies which shall have rated the Bonds at the times such Bonds were insured no lower than the ratings assigned thereto by such rating agencies on the date such Bonds were insured; and (iii) the Issuer shall have provided to Moody’s Investors Service and Standard & Poor’s Corporation notice of the proposed amendment and a copy thereof at least fifteen (15) days in advance of its adoption, and evidence of such notice has been filed with the Clerk; and (iv) each such Insurer shall have provided its written consent to the proposed Supplemental Resolution and the proposed amendment contained therein and said Insurer’s acknowledgement that its Bond Insurance Policy will remain in full force and effect, and such consent and acknowledgement shall have been filed with the Clerk; and

WHEREAS, the Issuer has determined that the requirements of Section 7.03 to the adoption of this Supplemental Resolution as described in clauses (i), (ii), (iii) and (iv) of the preceding paragraph, have been satisfied, and copies of documentation evidencing compliance
with the requirements described in clauses (ii), (iii) and (iv) are attached hereto as Exhibits A, B, and C, respectively; and

WHEREAS, the only Bonds Outstanding under the Resolution are the Issuer’s Transportation Improvement Revenue Refunding Bonds, Series 2002, dated September 15, 2002 (the “Series 2002 Bonds”), and the payment when due of the principal of and interest on the Series 2002 Bonds is insured by Ambac Assurance Corporation, as the Insurer of the Series 2002 Bonds.

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

Section 1. Amendment to the Resolution.

The definition of “Debt Service Requirement” contained in Section 1.01 of the Resolution is hereby amended by adding the following paragraph to the end of such definition:

“In calculating the Debt Service Requirement for any period, the Issuer shall deduct from the amounts calculated in subparagraphs (1) through (3) above, any investment earnings received or to be received on moneys on deposit in the Debt Service Fund and accounts therein and required by the terms of the Resolution to be retained in the Debt Service Fund and the accounts therein. If the amount of any investment earnings to be received during any particular period is not known on the date of any such calculation, the amount of investment earnings for such period shall be based upon the lesser of (i) the actual interest yield earned on moneys on deposit in the Debt Service Fund and the accounts therein during the immediately preceding 12 months, or (ii) the current yield on five-year U.S. Treasury obligations.”

Section 2. Resolution to Remain in Effect.

Except to the extent amended and supplemented hereby, the Resolution, as heretofore supplemented, shall remain in full force and effect.

[The remainder of this page is intentionally left blank.]
Section 3. **Effective Date.**

This Supplemental Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 20th day of December, 2003.

BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA

(ORIGINAL SEAL)

[Signature]
Its Chairman

ATTEST:

[Signature]
Its Clerk

RENDITION DATE 12/2/2003
EXHIBIT A

RATINGS LETTERS REFLECTING THAT THE SERIES 2002 BONDS CURRENTLY ARE RATED "Aaa" AND "AAA", BY MOODY'S INVESTORS SERVICE AND STANDARD & POOR'S CORPORATION, RESPECTIVELY
November 20, 2003

To whom it may concern:

We wish to inform you that the change in the definition of "Debt Service Requirement" being contemplated in the Resolution for St. Johns County, Florida Transportation Improvement Revenue Bonds, would not, in and of itself, result in a change in either the assigned A2 underlying rating or the insured AAA rating.

Moody's, however, reserves the right to periodically review the credit standing of both the Issuer and security to assure rating accuracy.

If we can be of further assistance, please do not hesitate to contact the undersigned at 212-553-0501 (Incorvaia) or 212-553-7884 (Kessler).

Sincerely,

[Signature]
Mr. John Incorvaia
Senior Vice President

[Signature]
Margaret L. Kessler
Vice President/Senior Credit Officer
November 25, 2003

St. Johns County
4020 Lewis Speedway
St. Augustine, FL 32095
Attention: Mr. Allen MacDonald, Finance Director

(POLICY#19930BE)

Dear Mr. MacDonald:

This will confirm that the above referenced bond issue is rated ‘AAA’ based on the bond insurance policy provided by Ambac Assurance Corporation.

Sincerely yours,

Standard & Poor’s Ratings Services
a division of The McGraw-Hill Companies, Inc.

By: Steven J. Murphy
Managing Director

CF
November 25, 2003

Jim Sisco
Assistant County Attorney
St. Johns County, Florida
4020 Lewis Speedway
St. Augustine, FL 32085

Dear Mr. Sisco

As evidenced by the attached Bloomberg L.P. Municipal Bond Description printed out on November 24, 2003, Moody’s Investors Service and Standard & Poor’s Credit Market Services both rated the St. Johns County Transportation Revenue Bonds, Series 2002 “Aaa” and “AAA,” respectively, in reference to the Ambac financial guaranty insurance policy and the Amendatory Resolution.

Sincerely,
Public Financial Management

David Miller
Managing Director
### Bond Series Composition

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### Municipal Bond Description

**Page 1/2**

**ST JOHNS CNTY FLA REV REF-TRANS IMPT**

**TICKER:** STJTRN CPN: 3

**Maturity:** 10/01/2007 **Dated:** 9/15/2002 **STATE:** FL

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**RCHG Recent rating changes**

**CREDIT SUPPORT**

| CREDIT SUPPORT | AMBAC |

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Enter 66 <GO> to Mag DES.
November 20, 2003

St. Johns County
4020 Lewis Speedway
St. Augustine, FL 32095
Attention: Mr. Allen MacDonald, Finance Director

Re: St. Johns County, Florida, Transportation Improvement Revenue Refunding Bonds (SPUR)

Dear Mr. MacDonald:

Standard & Poor's has reviewed the Standard & Poor's underlying rating (SPUR) on the above-referenced obligations after review of the resolution that amends the definition to the debt service requirement to include investment earnings received on moneys on deposit in the debt service fund. After such review, we have affirmed the “A” rating and stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an “expert” under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a “market rating” nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor’s relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. To maintain the rating, Standard & Poor’s must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor’s may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor’s reserves the right to request additional information if necessary to maintain the rating.
Please send all information to:
Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

If you have any questions, or if we can be of help in any other way, please feel free to call or contact us at npublicfinance@standardandpoors.com. For more information on Standard & Poor’s, please visit our website at www.standardandpoors.com. We appreciate the opportunity to work with you and we look forward to working with you again.

Sincerely yours,

Standard & Poor's Ratings Services
a division of The McGraw-Hill Companies, Inc.

By: Steven J. Murphy
Managing Director

cf
enclosure
EXHIBIT B

EVIDENCE OF NOTICE TO MOODY’S INVESTORS SERVICE AND STANDARD & POOR’S CORPORATION
November 14, 2003

Via Federal Express

Moody's Investors Service
Public Finance Department, 10\textsuperscript{th} Floor
Attn: Mr. John Incorvaia,
Senior Vice President
99 Church Street
New York, New York 10007-2796

Standard & Poor's Corporation
Public Finance Ratings
Attn: Mr. Carl Jacob, Director
55 Water Street
New York, New York 10041

Re: St. Johns County, Florida Transportation Improvement Revenue Refunding Bonds, Series 2002, Dated September 15, 2002

Dear Gentlemen:

Enclosed is a copy of a proposed Supplemental Resolution amending and supplementing Resolution No. 92-103 adopted by the Board of County Commissioners of St. Johns County, Florida, on June 23, 1992, which resolution authorized the issuance by the County of Transportation Improvement Revenue Bonds.

The proposed Supplemental Resolution is to be adopted for the purpose of amending the definition of “Debt Service Requirement”, contained therein to take into account the amount of investment earnings received on moneys on deposit in the Debt Service Fund established pursuant thereto in the calculation of the amount of the “Debt Service Requirement.”

This notice is being provided to you pursuant to Section 7.03 of the Resolution, at least fifteen (15) days in advance of the proposed adoption of the Supplemental Resolution.

If you have any questions concerning the enclosure, please do not hesitate to contact me.

Sincerely yours,

ST. JOHNS COUNTY, FLORIDA

By: Cheryl Strickland
Its: Clerk of Circuit Court
FedEx USA Airbill

1. From: 11/14/03
   Address: 4010 LEWIS SPEEDWAY STE 153
   City: SAINT AUGUSTINE
   State: FL
   Zip: 32084

2. To: Mr. John Incorvia
   Address: 99 CHURCH STREET
   City: NEW YORK
   State: NY
   Zip: 10007

3. Service: Priority Overnight
   Package Number: 8360 7691 9905
   Date: 11/14/03
   Time: 1477-1925-6

4. Special Handling:
   Service: Saturday Delivery
   Package Weight: 3.00 lbs
   Destination: NEW YORK
   Shipper: Moody's Investors Service
   Recipient: Mr. John Incorvia
   Shipped By: Buddha

5. Packaging:
   Package: Regular
   Price: $30.00
   Payment: Cash/Check

6. Release Signature:
   Signature: [Signature]
   Date: 11/21/03
   Time: 2:01PM

7. Service:
   Priority Overnight
   3 Day Service
   Standard Overnight
   Freight

8. Instructions:
   By signing you authorize us to deliver the packages without releasing the signature
   and agree to its contents and the terms of service.

9. Service:
   Saturday Delivery
   Freight
   Standard Overnight
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EXHIBIT C

CONSENT OF AMBAC ASSURANCE CORPORATION
November 13, 2003

St. Johns County  
Attn: Office of County Attorney  
4020 Lewis Speedway  
St. Augustine, FL 32085  

Re: St. Johns County, Florida Transportation Improvement Revenue Refunding Bonds, Series 2002, dated September 15, 2002/consent to Amendment to Bond Resolution  

Ladies and Gentlemen:

Ambac Assurance Corporation ("Ambac"), as the bond insurer for the outstanding St. Johns County, Florida Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds"), issued under and pursuant to that certain Resolution adopted by the Board of County Commissioners of St. Johns County, Florida (the "Board") on June 23, 1992 (the "Resolution"), hereby (a) consents to the adoption by the Board of a proposed resolution (the "Supplemental Resolution") and to the proposed amendment contained therein, a copy of which Supplemental Resolution is attached hereto, amending the Resolution for purpose of amending the definition of "Debt Service Requirement" contained therein to take into account the amount of investment earnings received on moneys on deposit in the Debt Service Fund established pursuant thereto in the calculation of the amount of the Debt Service Requirement; and (b) acknowledges that its Financial Guaranty Insurance Policy insuring the payment when due of the principal of and interest on the Series 2002 Bonds will remain in full force and effect after the adoption of the proposed Supplemental Resolution. This consent is provided on behalf of Ambac and the holders of the Series 2002 Bonds pursuant to Section 7.03 of the Resolution.

AMBAC ASSURANCE CORPORATION  
By: Robert P. Moore  
Name: Robert P. Moore  
Title: Vice President  

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