RESOLUTION NO. 2004-150


WHEREAS, St. Johns County, Florida (the “County”), pursuant to Resolution No. 95-117, duly adopted by the Board of County Commissioners of the County (the “Board”) on June 13, 1995, as amended and supplemented (the “Original Resolution”), issued its Taxable Convention Center Revenue Bonds, Series 1996 (the “Series 1996 Bonds”), to finance a convention center project as described in the Original Resolution (the “Project”); and

WHEREAS, the City of Gulf Breeze, Florida (“Gulf Breeze”), heretofore established a loan pool program (the “Program”) for the purpose of financing and refinancing certain capital projects of participating local governmental entities situated in the State of Florida; and

WHEREAS, pursuant to Resolution No. 2004-32 duly adopted by the Board on February 3, 2004 (the “Refinancing Resolution”), the County, among other things, determined that the debt service requirements on a loan from the Program to refund all of the outstanding Series 1996 Bonds (the “Refunded Bonds”) would reduce the annual payments required to finance the Project, authorized a loan from the Program (the “Loan”) in an amount sufficient to refund the Refunded Bonds, and authorized and approved a form of Escrow Deposit Agreement (the “Escrow Deposit Agreement”) between the County and J.P. Morgan Trust Company, National Association, as Escrow Holder (the “Escrow Holder”), in connection with the refunding of the Refunded Bonds; and

WHEREAS, on April 1, 2004, the County issued a fixed rate note (the “Governmental Unit Note”) to evidence the Loan as provided in the Refinancing Resolution; and paid a sufficient portion of the proceeds of the Loan and other funds available (including $327,500 from moneys held by the County in the Reserve Fund established under the Original Resolution) to the Escrow Holder for deposit by the Escrow Holder into an escrow established pursuant to the Escrow Deposit Agreement to effectuate the refunding and defeasance of the Refunded Bonds by investing in U.S. Obligations – State and Local Government Series ("SLGS investments") and thereby providing for the payment of the principal of, premium, if any, and interest on the Refunded Bonds as described in the Escrow Deposit Agreement; and
WHEREAS RBC Dain Rauscher ("Dain Rauscher") has proposed a method to the County whereby the County can recover some of the escrow underperformance and generate savings by restructuring the escrow established under the Escrow Deposit Agreement in the manner hereinafter described;

WHEREAS, the Escrow Deposit Agreement permits the Escrow Holder to restructure the escrow at the written request of the County only if the County and the Escrow Holder receive (a) a verification report from a nationally recognized independent certified public accountant verifying that the cash and principal amount of Substitute Securities and investments remaining on hand after the transactions are completed, together with the interest due thereon, will be not less than the Escrow Requirement (the "New Verification Report"); (b) an unqualified opinion from a nationally recognized bond counsel or tax counsel to the effect that the transactions are permitted under the documents authorizing the issuance and sale of the Refunded Bonds and the Governmental Unit Note and will not affect the tax-exempt status of the Program Bonds (the "Bond Opinion"); and (c) the consent of the Municipal Insurer guaranteeing the Program Bonds (the "Insurer Consent") (as such undefined terms are defined in the Escrow Deposit Agreement); and

WHEREAS, pursuant to the terms of the Original Resolution, any savings generated from the escrow restructuring shall be deposited into the Sinking Fund established under the Original Resolution; and

WHEREAS, the County has determined that it is advantageous to the County to authorize the escrow restructuring in accordance with Sections 3 and 4 of this Resolution and to direct the Escrow Holder to restructure the escrow in the manner and upon the terms hereinafter provided;

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

SECTION 1. DEFINITIONS.

Terms defined in the preambles hereof shall have the meanings set forth therein. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Original Resolution, the Refinancing Resolution and/or the Escrow Deposit Agreement unless the context affirmatively requires otherwise.

SECTION 2. FINDINGS.

It is hereby found, determined and declared that:

(A) It is necessary, desirable and in the best interest of the County that the escrow established under the Escrow Deposit Agreement be restructured in the manner hereinafter provided to effectuate savings and a reduction in the debt service applicable to bonded indebtedness issued to finance the Project, which results in the desired effect of reducing the Non-Ad Valorem Funds that the County may be required to budget and appropriate to assist in
the repayment of such bonded indebtedness and, accordingly, the escrow restructuring will serve a paramount public purpose and any private benefit will be merely incidental thereto; and

(B) It is necessary, desirable and in the best interest of the County that Dain Rauscher assist the County in connection with the escrow restructuring in the manner hereinafter provided; and

(C) It is in the best financial interest of the County that such escrow restructuring be accomplished as hereinafter provided and any savings generated from the escrow restructuring be deposited into the Sinking Fund established under the Original Resolution.

SECTION 3. AUTHORIZATION OF ESCROW RESTRUCTURING.

Restructuring of the escrow established under the Escrow Deposit Agreement, as described herein, is hereby authorized and approved, upon satisfaction of the following terms and conditions:

(A) The savings generated to be deposited into the Sinking Fund established under the Original Resolution, after payment of all related expenses and costs, which shall result from the escrow restructuring, shall not be less than $25,000.

(B) Approval of the escrow restructuring by the Clerk or Finance Director of the County.

(C) Receipt of the New Verification Report and the Insurer Consent.

(D) Receipt of an opinion from Ungaretti & Harris, special tax counsel for Gulf Breeze, or Miller, Canfield, Paddock & Stone, P.L.C., bond counsel for Gulf Breeze, to the effect that the escrow restructuring is permitted under the documents authorizing the Governmental Unite Note and will not affect the defeasance of the Refunded Bonds or the tax-exempt status of the Program Bonds.

(E) Receipt of an opinion from Edwards Cohen, special counsel to the County, to the effect that the escrow restructuring is permitted under the documents authorizing the issuance and sale of the Refunded Bonds.

SECTION 4. MANNER OF ESCROW RESTRUCTURING.

The initial escrow restructuring will be accomplished by Dain Rauscher, on behalf of the County, selling the SLGS investments currently held in the escrow and reinvesting the escrow in Federal Securities which generate the required savings specified in Section 3(A) above. Dain Rauscher is hereby authorized and directed to restructure the escrow established under the Escrow Deposit Agreement in the manner herein provided.

After the initial escrow restructuring has been accomplished as aforesaid, Dain Rauscher is hereby authorized and directed to continue to monitor the Federal Securities market to obtain even greater savings for the County with a goal of generating at least
$100,000 of overall savings and is hereby authorized to sell Federal Securities in the escrow and reinvest in other Federal Securities for the escrow as will generate greater savings; provided that all the requirements to accomplish an escrow restructuring in accordance with this Resolution and the Escrow Deposit Agreement are met.

SECTION 5. NO THIRD PARTY BENEFICIARIES.

Except as herein expressly provided, nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the County any rights, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof or of the Original Resolution or the Refinancing Resolution, this Resolution intended to be and being for the sole and exclusive benefit of the County.

SECTION 6. GENERAL AUTHORITY.

The members of the Board and the County's officers, attorneys, advisors or other agents or employees are hereby authorized to do all acts and things and execute and deliver any and all documents necessary or required of them by this Resolution or desirable or consistent with the requirements of this Resolution, for the full, punctual and complete performance of all the terms, covenants and agreements, contained in this Resolution.

SECTION 7. REPEALING CLAUSE.

All resolutions or parts thereof of the County in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.
SECTION 8. EFFECTIVE DATE.

This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 22nd day of June, 2004.

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By [Signature]
Chair of its Board of County Commissioners

(Official Seal)

ATTESTED:

By [Signature]
Clerk of its Board of County Commissioners

STATE OF FLORIDA
COUNTY OF ST. JOHNS

I, Cheryl Strickland, Clerk to the Board of County Commissioners of St. Johns County, Florida, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2004-150, as the same was duly adopted and passed at a regular meeting of the Board of County Commissioners on the 22nd day of June, 2004, and as the same appears on record in my office.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 22nd day of June, 2004.

(Official Seal)

By [Signature]
Clerk of the Board of County Commissioners

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