

RESOLUTION 88-61

A RESOLUTION APPROVING AN AGREEMENT RELATING TO FEES AND DUTIES BETWEEN ST. JOHNS COUNTY, FLORIDA, AND THE ESCROW TRUSTEE AND THE BOND REGISTRAR AND PAYING AGENT FOR THE \$4,685,000 ST. JOHNS COUNTY, FLORIDA, LIMITED AD VALOREM TAX REFUNDING BONDS, SERIES 1988; APPROVING A PAYING AGENT AND REGISTRAR AGREEMENT BETWEEN THE ISSUER AND THE BOND REGISTRAR AND PAYING AGENT; DIRECTING THE CLERK TO NOTIFY THE ESCROW TRUSTEE OF ITS APPOINTMENT; AUTHORIZING AND DIRECTING NOTICE OF TERMS OF REFUNDED BONDS; DESIGNATING A MUNICIPAL BOND INSURANCE COMPANY AND DIRECTING THE PURCHASE OF BOND INSURANCE; AMENDING AND SUPPLEMENTING RESOLUTION 88-52; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners of St. Johns County, Florida (the "Issuer"), has by Resolution No. 88-52 duly adopted on February 23, 1988 as supplemented and amended, (the "Bond Resolution"), previously found that a Bond Registrar, Paying Agent and Escrow Trustee should be appointed for the Issuer's Limited Ad Valorem Tax Refunding Bonds, Series 1988 (the "Bonds"); and

WHEREAS, Sun Bank, National Association, has submitted its proposed fee schedule for performing duties of Escrow Trustee, Bond Registrar and Paying Agent, which is attached hereto as Exhibit A and made a part hereof, and has submitted its proposed Paying Agent and Registrar Agreement, which is attached hereto as Exhibit B and made a part hereof, the acceptance of which the Issuer determines to be in its best interest; now, therefore,

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

Section 1. Designation of Escrow Trustee, Paying Agent and Bond Registrar. Sun Bank, National Association, is hereby designated and approved as Escrow Trustee under the Bond Resolution. Sun Bank, National Association, is hereby designated and approved as Paying Agent and Bond Registrar under the Bond Resolution.

Section 2. Fee Schedule for Escrow Trustee, Paying Agent and Bond Registrar. The fee schedule referred to in the preambles hereto be and the same is hereby accepted and approved.

Section 3. Appointment Agreement with Paying Agent and Bond Registrar. The appointment agreement referred to in the preambles hereto be and the same is hereby approved, ratified and confirmed and the proper officers of the Issuer are authorized and directed to execute and deliver same to the Paying Agent and Bond Registrar with such changes, additions and deletions as are approved by the Issuer Officer executing said appointment agreement, such approval to be conclusively evidenced by his so executing same.

Section 4. Clerk to Notify Escrow Trustee of Appointment. Upon adoption of this resolution, the Clerk shall notify the Escrow Trustee of this appointment and of the Issuer's intention to issue the Bonds and, on behalf of the Issuer, the Clerk shall enter into the Escrow Deposit Agreement with the Escrow Trustee in respect of the escrowing

of the proceeds from the sale of the Bonds as described in Section 19 of the Bond Resolution, (the refunding financial plan), which together with all income derived from the investment of such proceeds, and any other moneys to be provided by the Issuer is sufficient to effectuate the refunding financial plan. The Clerk shall also notify and alert the Escrow Trustee of the notice requirement of Section 5 of this Resolution and shall provide the Escrow Trustee with a copy of this Resolution.

Section 5. Escrow Trustee to give Notice of Terms of Refunded Bonds. The Escrow Trustee is authorized and directed, in the name of the Issuer, to cause notice to be given as required by Sections 132.40(1) and 132.34(25), Florida Statutes, as amended, of the terms of the Refunded Bonds at such time as the notice is given that the Refunded Bonds are being called for redemption.

Section 6. Designation of Municipal Bond Insurer and Direction to Clerk. AMBAC Indemnity Corporation is hereby designated and approved as municipal bond insurer under the Bond Resolution. The Clerk is hereby directed to purchase \$4,685,000 insurance for the Bonds at closing.

Section 7. Approval of an official statement for Bonds.

Preparation of an official statement, at the cost of the Issuer, is hereby authorized in connection with the

Bonds. The official statement for the Bonds in substantially the form attached hereto as Exhibit C is hereby approved, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted or as may be approved by the Chairman, the execution thereof to be conclusive proof of his approval.

Section 8. That the Form of the Bond as contained in Section 15 of Resolution No. 88-52 shall be amended to reflect that the name of the Bond Registrar shall be SUN BANK, NATIONAL ASSOCIATION.

Section 9. Bond Resolution Amended and Supplemented. The Bond Resolution is amended and supplemented by this resolution.

Section 10. This resolution shall take effect immediately upon its adoption.

ADOPTED this 8 day of March, 1988.

ST. JOHNS COUNTY, FLORIDA

BY Lawrence O. Bentley  
Chairman of the Board of  
County Commissioners of St.  
Johns County, Florida

ATTEST:

Paul "Bud" Markel  
Clerk of the Circuit Court  
of St. Johns County as ex  
officio Clerk of the  
Board of County Commissioners,  
St. Johns County, Florida



Sun Bank, National Association

Corporate Trust Division

February 12, 1988

Mr. Chuck Rosenthal  
Public Financial Management, Inc.  
201 S. Orange Avenue, Suite 720  
Orlando, Florida 32801

Re: St. Johns County Limited Ad Valorem  
Refunding Bond, Series 1988

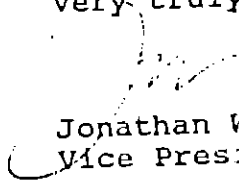
Dear Chuck:

Sun Bank's fees to act as Registrar, Paying Agent and Escrow Agent for the above-referenced issue are as follows:

- One-time Escrow fee of \$2,000;
- Annual fee for Registrar and Paying Agent of \$750, payable at closing and each anniversary date thereafter;
- Reimbursement of legal and out-of-pocket expenses associated with closing the issue, including publication of call notices for the refunded bonds;
- This fee proposal assumes a DTC-eligible issue and the original issuance registration to be imprinted by the bond printer.

Thank you for considering Sun Bank for these services. I look forward to working with you and St. Johns County on this issue.

Very truly yours,

  
Jonathan W. Fox  
Vice President

JWF/mak

- EXHIBIT "A" -

Sun Bank • P.O. Box 3808 • Orlando, Florida 32802 • (305) 237-4933

Money Management Services

PAYING AGENT AND REGISTRAR AGREEMENT

THIS PAYING AGENT AND REGISTRAR AGREEMENT, dated as of March 16, 1988, by and between ST. JOHNS COUNTY, FLORIDA (the "Issuer"), and SUN BANK, NATIONAL ASSOCIATION, a national banking association, having its principal place of business at 200 South Orange Avenue, Orlando, Florida 32802 (the "Bank").

W I T N E S S E T H:

WHEREAS, the Issuer, by the Resolution (as hereinafter defined), has designated the Bank as Paying Agent and Registrar for its \$4,685,000 ST. JOHNS COUNTY, FLORIDA, LIMITED AD VALOREM TAX REFUNDING BONDS, SERIES 1988 (the "Bonds"); and

WHEREAS, the Issuer and the Bank desire to set forth the Bank's duties as Paying Agent and Registrar and the compensation to be paid the Bank for its services.

NOW, THEREFORE, it is agreed by the parties hereto as follows:

Section 1. DUTIES. The Bank agrees to serve as Paying Agent and Registrar for the Bonds and to perform the duties of Paying Agent and Registrar as specified in or contemplated by Resolution No. 88-52 and Resolution No. 88-53, each adopted by the Board of County Commissioners of the Issuer, ST. JOHNS COUNTY, FLORIDA, on February 23, 1988, as amended and supplemented by Issuer resolution dated March

8, 1988, relating to the issuance of the Bonds (collectively the "Resolution").

Section 2. DEPOSIT OF FUNDS. The Issuer shall deposit or cause to be deposited with the Bank sufficient funds from the funds pledged for the payment of the Bonds under the Resolution to pay when due and payable the principal of, premium, if any, and interest on the Bonds.

Section 3. USE OF FUNDS; CANCELLED BONDS. The Bank shall use the funds received from the Issuer pursuant to Section 2 of this Agreement to pay the principal of, premium, if any, and interest on the Bonds in accordance with the Resolution. The Bank shall cremate cancelled Bonds and transmit to the Issuer a certificate of destruction therefor.

Section 4. OBLIGATION TO ACT. The Bank shall be obligated to act only in accordance with the Resolution and any written instructions received in accordance therewith; provided, however, that the Bank is authorized hereby to comply with any orders, judgments, or decrees of any court with or without jurisdiction and shall not be liable as a result of its compliance with the same.

Section 5. RELIANCE BY BANK. The Bank may rely absolutely upon the genuineness and authorization of the signature and purported signature of any party upon any instruction, notice, release, request, affidavit, or other document delivered to it pursuant to the Resolution.

Section 6. INDEMNITY. The Issuer hereby agrees, to the extent permitted by Florida law, to indemnify the Bank and hold it harmless from any and all claims, liabilities, losses, actions, suits, or proceedings at law or in equity, or any other expenses, fees, or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Paying Agent or Registrar under the Resolution, unless caused by its willful misconduct or negligence; and in connection therewith, to indemnify, to the extent permitted by Florida law, the Bank against any and all reasonable expenses, including reasonable attorneys' fees and the costs of defending any action, suit, or proceedings, or resisting any claim. The Issuer's obligations hereunder shall survive any termination of this Agreement.

Section 7. COUNSEL; LIMITED LIABILITY. The Bank may consult with counsel of its own choice and shall have sole and complete authorization and protection for any action taken or suffered by it under the Resolution in good faith and in accordance with the opinion of such counsel. The Bank shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or negligence.

Section 8. FEES AND EXPENSES. In consideration of the services rendered by the Bank as Paying Agent and Registrar, the Issuer agrees to and shall pay to the Bank its

proper fees and all reasonable expenses, charges, attorneys' fees, and other disbursements incurred by it or its attorneys, agents, and employees in and about the performance of its powers and duties as Paying Agent and Registrar. The Bank shall not be obligated to allow any credit interest upon any moneys in respect of principal, interest or premium, if any, due in respect of the Bonds, which it shall at any time receive under any of the provisions of the Resolution or this Agreement.

Section 9. FURNISHING INFORMATION; AUTHORIZATION.

The Bank shall, at all times, when requested to do so by the Issuer, furnish full and complete information pertaining to its functions as the Paying Agent and Registrar with regard to the Bonds, and shall without further authorization, execute all necessary and proper deposit slips, checks, certificates and other documents with reference thereto.

Section 10. CANCELLATION; TERMINATION. Either of the parties hereto, at its option, may cancel this Agreement after giving thirty (30) days written notice to the other party of its intention to cancel, and this Agreement may be cancelled at any time by mutual consent of the parties hereto. This Agreement shall terminate without further action upon final payment of the Bonds and the interest appertaining thereto and the transmittal by the Bank to the Issuer of certificates of destruction for all Bonds.

Section 11. SURRENDER OF FUNDS, REGISTRATION RECORDS; NOTIFICATION OF BONDHOLDERS. In the event of a cancellation of this Agreement, the Issuer shall deliver any proper and necessary releases to the Bank upon demand and the Bank shall upon demand pay over the funds on deposit with the Bank as Paying Agent and Registrar in connection with the Bonds and surrender all registration books and related records, and the Issuer may appoint and name a successor to act as Paying Agent and Registrar for the Bonds. The Issuer shall, in such event, at its expense, notify all holders of the Bonds of the appointment and name of the successor, by providing notice in the manner required for the redemption of the Bonds.

Section 12. NONASSIGNABILITY. The Agreement shall not be assigned by either party without the written consent of the other party.

Section 13. MODIFICATION. No modification of this Agreement shall be valid unless made by a written agreement, executed and approved by the parties hereto.

Section 14. SEVERABILITY. Should any section or part of any section of this Agreement be declared void, invalid, or unenforceable by any court of law for any reason, such determination shall not render void, invalid, or unenforceable any other section or other part of any section of this Agreement.

Section 15. GOVERNING LAW. The Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their official seals to be hereunto affixed and attested as of the date first above written.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

BY: \_\_\_\_\_  
Chairman of the Board of  
County Commissioners of St.  
Johns County, Florida

ATTEST:

\_\_\_\_\_  
Clerk of the Circuit Court  
of St. Johns County as ex  
officio Clerk of the  
Board of County Commissioners,  
St. Johns County, Florida

SUN BANK, NATIONAL ASSOCIATION

(SEAL)

By: \_\_\_\_\_  
As Its \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
As Its \_\_\_\_\_

NEW ISSUE

RATINGS: Moody's: Aaa  
Standard & Poor's: AAA  
AMBAC Insured  
(See "Ratings" herein)

**\$4,685,000**  
**ST. JOHNS COUNTY, FLORIDA**  
**LIMITED AD VALOREM TAX REFUNDING BONDS**  
**SERIES 1988**

Dated: February 15, 1988

Due: March 1, as shown below

The Bonds are being issued only as fully registered bonds without coupons in denominations of \$5,000 and integral multiples thereof. Interest on the Bonds will be payable on September 1, 1988 and semiannually each March 1 and September 1 thereafter by check or draft mailed to the registered owner by Sun Bank, National Association, Orlando, Florida, as registrar and paying agent. Principal of the Bonds is payable to the registered owner upon presentation when due at the principal corporate trust office of Sun Bank, National Association, Orlando, Florida.

The Bonds are subject to redemption prior to maturity as described herein.

The Bonds are being issued for the purpose of providing funds for the refunding of the County's Limited Ad Valorem Tax Bonds, Series 1983, outstanding in the principal amount of \$4,330,000. The proceeds from such bonds were used to finance the cost of acquisition and construction of jail and criminal justice facilities in the County.

The principal of and interest on the Bonds shall be secured by an irrevocable lien on ad valorem taxes, not to exceed one (1) mill levied upon all taxable real property valued at just value in the County. In each year while any such Bonds are outstanding, there shall be levied and collected a tax, not to exceed one (1) mill, on all taxable real property valued at just value within the County, sufficient in amount to pay the principal of and interest on such Bonds as the same shall become due.

The payment of the principal of and interest on the Bonds when due will be insured by a municipal bond insurance policy to be issued by AMBAC Indemnity Corporation simultaneously with the delivery of the Bonds.

**MATURITIES, AMOUNTS, INTEREST RATES AND PRICE**  
Price 100%

<u>Maturity March 1.</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity March 1.</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1989	\$210,000	5.00%	1997	\$315,000	6.70%
1990	210,000	5.20	1998	335,000	6.80
1991	225,000	5.40	1999	360,000	6.90
1992	235,000	5.70	2000	385,000	7.00
1993	245,000	5.90	2001	415,000	7.10
1994	265,000	6.10	2002	440,000	7.20
1995	275,000	6.30	2003	470,000	7.30
1996	300,000	6.50			

(Plus Accrued Interest)

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the receipt of an unqualified opinion as to the validity of the Bonds by Meredith & Dobson, P.A., St. Augustine, Florida, Bond Counsel. Certain legal matters will also be passed on for the County by James G. Slaco, Esquire, County Attorney. Certain other legal matters will be passed on by Rogers, Towers, Bailey, Jones & Gay, Jacksonville, Florida, Counsel to the Underwriter. It is expected that the Bonds in definitive form will be available for delivery in New York, New York on or about March 16, 1988.

**William R. Hough & Co.**

February 23, 1988

EXHIBIT C

No dealer, broker, account executive or other person has been authorized to make any representations or to give any information, other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been obtained from public documents, records and other sources considered to be reliable and, while not guaranteed as to completeness or accuracy by the Underwriter, is believed to be correct. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the County expressly makes no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof, or any earlier date as of which such information is given.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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# OFFICIAL STATEMENT

Relating to

\$4,685,000

## ST. JOHNS COUNTY, FLORIDA LIMITED AD VALOREM TAX REFUNDING BONDS SERIES 1988

February 23, 1988

### INTRODUCTION

The purpose of this Official Statement of St. Johns County, Florida (the "County"), including the cover page, and appendices, is to provide information with respect to its \$4,685,000 Limited Ad Valorem Tax Refunding Bonds, Series 1988 (the "Bonds").

The Bonds are being issued under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Sections 132.33 through 132.47, Florida Statutes, Section 125.01, Florida Statutes, Chapter 100, Florida Statutes, and other applicable provisions of law and Resolution No. 88-52 duly adopted by the Board of County Commissioners of St. Johns County, Florida (the "Board") on the 23rd day of February, 1988, as amended and supplemented (the "Resolution"). The Bonds are being issued to refund \$4,330,000 Limited Ad Valorem Tax Bonds, Series 1983, dated March 1, 1983 which will be outstanding on the issuance date of the Bonds (the "Refunded Bonds"). The issuance of the Refunded Bonds in an amount not to exceed \$8,000,000 and for a term not to exceed 30 years from their date was approved by a majority of votes cast in a bond referendum held on November 2, 1982, by the qualified electors of the County, in the manner required by the Constitution and laws of the State of Florida.

For a complete description of the terms and conditions of Bonds, reference is made to the Resolution. All terms defined in the Resolution shall have the same meanings in this Official Statement unless indicated to the contrary or the context expressly requires otherwise. All information included herein has been provided by the County except where attributed to other sources. The description of the Bonds and the documents authorizing and securing the same and the information from and summaries of all reports, statutes, documents and other instruments referred to herein, do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each. Copies of documents not reproduced in this Official Statement and further information which may be desired, may be obtained from the County's Finance Director, Mr. Henry Hendrix, St. Johns County Administration Building, St. Augustine, Florida 32085, telephone (904) 824-8131 or from Public Financial Management, Inc., 5900 Enterprise Parkway, Fort Myers, Florida 33905, telephone (305) 693-7117.

## PURPOSE OF THE BONDS AND REFUNDING PLAN

### General

The County is issuing the Bonds in order to provide funds to effect the defeasance of the Refunded Bonds. Upon the issuance of the Bonds, Bond Counsel will deliver its opinion to the County that the pledge of and lien on the ad valorem taxes of the County in favor of the holders of the Refunded Bonds shall no longer be in effect.

The County has determined that it is necessary and desirable to refund the Refunded Bonds in order to achieve a reduction in debt service payments. The Refunded Bonds bear interest at semiannual interest rates ranging from 7.0% for bonds maturing in 1989 to 9.1% for bonds maturing in 2003.

The estimated funds needed for the refunding shall be provided from the proceeds of the Bonds. An amount which, together with the income on the investment thereof, will be sufficient to refund the Refunded Bonds will be deposited in an irrevocable escrow account established pursuant to an Escrow Deposit Agreement for the holders of the Refunded Bonds, and invested in Federal Securities. The Refunded Bonds which have not matured on or prior to March 1, 1990, will be redeemed at their principal amount and accrued interest plus a premium of 2% on March 1, 1990.

### Escrow Deposit Agreement

A portion of the Bond proceeds specified in the Escrow Deposit Agreement which, together with the other legally available funds, and together with the investment income thereon will be sufficient to pay the principal of, interest and redemption premium on the Refunded Bonds as the same shall become due or be redeemed, shall be deposited into the Escrow Account.

Simultaneously with the delivery of the Bonds, the County shall enter into the Escrow Deposit Agreement with the Escrow Trustee, Sun Bank, National Association, Orlando, Florida, and shall furnish to the Escrow Trustee appropriate documentation to demonstrate that the sums being deposited and the investments to be made will be sufficient to produce funds to make the payments described above with respect to the Refunded Bonds.

### Security

The principal of and interest on the Bonds shall be secured by an irrevocable lien on ad valorem taxes, not to exceed one (1) mill levied upon all taxable real property valued at just value in the County. In each year, while any of the Bonds are outstanding, there shall be levied and collected a tax, not to exceed one (1) mill, on all taxable property valued at just value within the County, sufficient in amount to pay the principal of and interest on the Bonds as the same shall become due. Such tax shall be assessed, levied and collected in the same manner and at the same time as other County taxes and shall be in addition to all other taxes authorized to be levied by the County.

## MUNICIPAL BOND INSURANCE

The payment of principal of and interest on the Bonds when due will be insured by a municipal bond insurance policy issued by AMBAC Indemnity Corporation simultaneously with the delivery of the Bonds.

### AMBAC Indemnity Corporation

AMBAC Indemnity Corporation ("AMBAC Indemnity") is a Wisconsin-domiciled stock insurance company, regulated by the Insurance Department of the State of Wisconsin, and licensed to do business in various states, with admitted assets (unaudited) of approximately \$1,032,000,000 and statutory capital (unaudited) of approximately \$611,000,000 as of December 31, 1987. Statutory capital consists of AMBAC Indemnity's statutory contingency reserve and policyholders' surplus. AMBAC Indemnity is a wholly-owned subsidiary of AMBAC Inc., a financial holding company which is owned by Citibank, N.A., the employees of AMBAC Indemnity, Xerox Financial Services, Inc. and Stephens Inc. Standard & Poor's Corporation and Moody's Investors Service, Inc. have assigned their ratings "AAA" and "Aaa," respectively, to the claims paying ability of AMBAC Indemnity. Copies of AMBAC Indemnity's financial statements prepared in accordance with statutory accounting standards are available from AMBAC Indemnity. The address of AMBAC Indemnity's administrative offices and its telephone number are One State Street Plaza, 17th Floor, New York, New York, 10004 and (212) 668-0340.

AMBAC Indemnity has entered into stop-loss reinsurance agreements with a number of unaffiliated reinsurers designed to supplement its resources. The stop-loss reinsurance agreements cover all AMBAC Indemnity's existing insured mutual funds, unit trusts, portfolios and new issues insured by AMBAC Indemnity. In addition, AMBAC Indemnity has entered into quota share reinsurance agreements under which a percentage of the insurance or reinsurance underwritten pursuant to certain municipal bond insurance programs of AMBAC Indemnity has been and will be assumed by such reinsurers.

AMBAC Indemnity has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by AMBAC Indemnity will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by AMBAC Indemnity under policy provisions substantially identical to those contained in its municipal bond insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the issuer of the Bonds.

AMBAC Indemnity makes no representation regarding the Bonds or the advisability of investing in the Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by AMBAC Indemnity and presented under the heading "MUNICIPAL BOND INSURANCE."

## Payment Pursuant to Municipal Bond Insurance Policy

AMBAC Indemnity has made a commitment to issue a municipal bond insurance policy (the "Municipal Bond Insurance Policy") relating to the Bonds effective as of the date of issuance of the Bonds. Under the terms of the Municipal Bond Insurance Policy, AMBAC Indemnity will pay to the United States Trust Company of New York, in New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Bonds which shall become Due for Payment but shall be unpaid by reasons of Nonpayment by the Issuer (as such terms are defined in the Municipal Bond Insurance Policy). AMBAC Indemnity will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or the fifth (5th) business day next following the date on which AMBAC Indemnity shall have received notice of Nonpayment from the Trustee. The insurance will extend for the term of the Bonds and, once issued, cannot be canceled by AMBAC Indemnity.

The Municipal Bond Insurance Policy will insure payment only on stated maturity dates and sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. It will not insure payment on acceleration, as a result of a call for redemption (other than sinking fund redemption) or as a result of any other advancement of maturity, nor will it insure the payment of any redemption, prepayment or acceleration premium or any risk other than Nonpayment. In the event of any acceleration of the principal of the Bonds, the payments insured will be made at such times and in such amounts as would have been made had there not been an acceleration.

The Municipal Bond Insurance Policy will not insure against nonpayment of principal or interest caused by the insolvency or negligence of any Trustee or Paying Agent, if any, or the Insurance Trustee. If the Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Bonds, AMBAC Indemnity will remain obligated to pay principal of and interest on outstanding Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event the Trustee has notice that any payment of principal of or interest on a Bond which has become Due for Payment and which is made to a Bondholder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from AMBAC Indemnity to the extent of such recovery if sufficient funds are not otherwise available.

If it becomes necessary to call upon the Municipal Bond Insurance Policy, payment of principal requires surrender of Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Bonds to be registered in the name of AMBAC Indemnity. Payment of interest pursuant to the Municipal Bond Insurance Policy requires proof of Bondholder entitlement to interest payments and an appropriate assignment of the Bondholder's right to payment to AMBAC Indemnity.

Upon payment of the insurance benefits, AMBAC Indemnity will become the Owner of the Bond, appurtenant coupon, if any, or right to payment of principal or interest on such Bond and will be fully subrogated to the surrendering Bondholder's rights to payment.

## DESCRIPTION OF THE BONDS

### General Terms

The Bonds are being issued in the aggregate principal amount of \$4,685,000 in fully registered form in the denominations of \$5,000 and integral multiples thereof. The Bonds will be dated as of February 15, 1988 and will bear interest from that date and mature on the dates set forth on the cover page of this Official Statement.

Interest on the Bonds will be payable semiannually on March 1 and September 1 of each year, commencing September 1, 1988 by check or draft mailed to the registered owner by Sun Bank, National Association, Orlando, Florida, as registrar and paying agent for the Bonds.

Payment of the interest shall be made to the person in whose name the Bonds are registered in accordance with the registration books maintained by the registrar on behalf of the County at the close of business on the 15th day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of the Bonds subsequent to the Record Date and prior to such interest payment date.

The principal and premium, if any, shall be payable to each registered owner of the Bonds or his transferee upon presentation when due at the principal corporate trust office of the registrar.

### Optional Redemption Provisions

The Bonds maturing on March 1 of the years 1989 to 1996, inclusive, are not subject to redemption prior to maturity. The Bonds maturing in the year 1997 and thereafter may, at the option of the County, be called for redemption prior to maturity in whole on any date on or after March 1, 1996, or in part, in inverse order of maturities and by lot within maturities on March 1, 1996, or any interest payment date thereafter at a redemption price (plus accrued interest to the date fixed for redemption) equal, for each period indicated below, to the percentage of the principal amount thereof shown in the following table:

Redemption Dates (both dates inclusive)		Redemption Price
From	To	
March 1, 1996	February 28, 1997	102 %
March 1, 1997	February 28, 1998	101.5
March 1, 1998	February 28, 1999	101
March 1, 1999	February 29, 2000	100.5
March 1, 2000	and thereafter	100

#### Notice of Redemption

Registrar and Paying Agent, is required to mail a copy of such notice, postage prepaid, not less than thirty days before the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books, but receipt of such mailing shall not be a condition precedent to such redemption of Bonds.

#### AD VALOREM TAX PROCEDURES

Section 4 of Article VII of the Constitution of the State of Florida provides that "By General law regulations shall be prescribed which shall secure a just valuation of all real property for ad valorem taxation." The factors considered in arriving at a just valuation, as set forth in Section 193.011, Florida Statutes, are:

- (1) the present cash value of the property;
- (2) the highest and best use to which the property can be expected to be put in the immediate future and the present use of the property;
- (3) the location of the property;
- (4) the quantity or size of the property;
- (5) the cost of the property and the present replacement value of any improvements thereon;
- (6) the condition of the property;
- (7) the income from the property; and
- (8) the net proceeds of the sale of the property after deduction of certain fees and cost of sale.

In the opinion of the St. Johns County Property Appraiser, all real property in the County is assessed at 100% of the just value by the Property Appraiser, who is required to complete an assessment, as of January 1 of each year, of the value of all real property in the County no later than July 1 of

each year. He is required to inspect physically the real property every three (3) years to determine its just value.

### **General Exemptions**

Exemptions from the ad valorem tax include the first \$25,000 of assessed value for a permanent residence; property owned by certain permanently and totally disabled persons; renewable energy source improvements; inventory; property used by hospitals, nursing homes, homes for special services and property used by homes for the aged; educational property; property owned and used by labor organizations; community centers; governmental property; property owned by not-for-profit sewer and water companies; and the first \$500 of property of every widow, blind person or disabled person. See generally, Chapter 196, Florida Statutes.

Section 196.1995, Florida Statutes, permits a County, upon approval by referendum, to grant exemptions from ad valorem tax to new business or expansion of existing business in the County. Such exemption, once granted, remains in effect for ten years, so long as in each of the ten years, the company granted the exemption adds ten new employees within the County. No such referendum has been held in the County. The exemption does not apply to taxes levied for the payment of bonds or to taxes authorized by a vote of the electors pursuant to Section 9(b) or Section 12, Article VII of the Florida Constitution, nor does it apply to school taxes or water management district taxes.

### **Tax Levy**

Florida law limits ad valorem tax millage levies for counties, cities, and school boards to ten (10) mills, ten (10) mills and ten (10) mills, respectively, except additional taxes may be levied as required for special benefits and debt service upon approval of the electors.

The County's total millage levy for its fiscal year beginning October 1, 1987, is 6.650 mills. Of the total, 6.399 mills were levied under the 10 mill limitation and .251 mills for debt service.

Section 197.0124(2), Florida Statutes, requires the Tax Collector to distribute, to each governmental unit levying the tax, the taxes collected four times during each of the first two months after the tax roll comes into his possession and once per month thereafter. A different schedule may be used if the Tax Collector and governing body of the tax governmental unit levying the tax mutually agree.

### **Delinquent Taxes**

Delinquent real property taxes bear interest at the rate of eighteen percent (18%) per year from April 1 of the year following the year in which taxes were assessed (or immediately after 60 days have expired of the mailing of the original tax notice, whichever is later) until a certificate is sold. Thereafter, the interest rate shall be the rate bid by the purchaser of the certificate. On or before June 1 of each year the Tax Collector is required to advertise once each week for four weeks and offer for sale tax certificates on

all real property with taxes due. Delinquent tax certificates not sold at auction become the property of the County.

The owner of the real property for which a tax certificate has been issued may redeem the property at any time after the issuance of the tax sale certificate and before a tax deed is issued. To redeem a tax certificate the owner must pay all taxes, interest, costs, charges and omitted taxes, if any, as provided by law with interest as stated in the certificate (or interest at the rate of five percent (5%) of the face amount of the certificate, whichever is higher) from the date of the certificate to the date of redemption.

At any time after two (2) years have elapsed since April 1 of the year of the issuance of the tax certificates and before the expiration of seven (7) years of the date of issuance, the owner of a tax certificate may file an application with the Tax Collector for a tax deed. The statutory process for sale of the tax deed can then be initiated, with the highest bidder receiving a tax deed on the property. Florida law provides that real property tax liens are superior to all other liens except prior Internal Revenue Service liens.

#### AD VALOREM TAX STATISTICAL INFORMATION

##### St. Johns County, Florida Assessed Valuations, Taxes Levied and Collected and Current Millage Levy

<u>Fiscal Year</u>	<u>Gross Assessed Value Including Homestead &amp; Other Exempt Property</u>	<u>Taxable Assessed Value Excluding Homestead &amp; Other Exempt Property</u>
1987-88	\$3,143,685,272	\$2,427,627,378
1986-87	2,867,055,070	2,186,784,273
1985-86	2,499,568,900	1,871,661,420
1984-85	2,125,865,086	1,567,378,071
1983-84	1,923,225,803	1,383,793,173
1982-83	1,732,705,123	1,257,552,913
1981-82	1,374,506,349	927,472,969

<u>Fiscal Year</u>	<u>Property Taxes Levied</u>	<u>Collections</u>	
		<u>Amount</u>	<u>Percent</u>
1987-88	\$40,093,043	\$ (1)	
1986-87	\$35,783,406	35,549,355	99.35%
1985-86	31,295,519	31,042,190	99.19
1984-85	25,229,244	24,805,582	98.32
1983-84	23,677,638	23,320,383	98.49
1982-83	19,836,859	19,635,820	98.99
1981-82	16,539,045	16,208,819	98.00

(Above tax levies include school levy and special districts levy.)

(1) Process not completed until September.

**Current Millage Levy**  
**As of October 1, 1987**

St. Johns County.....	6.650 mills
St. Johns County School Board.....	7.397 mills
St. Johns County Special Districts.....	.849 mills
Town of Hastings.....	6.300 mills
City of St. Augustine.....	6.470 mills
City of St. Augustine Beach.....	1.989 mills

St. Johns County, Florida  
1987 Taxpayers Having Largest Assessed Valuations

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>
Arvida Corporation	Home Construction/ Land Developer/ Land Holder	\$32,216,020
General Development Corporation	Land Developer	25,184,160
Ponte Vedra Corporation	Real Estate/Land Holder	20,278,710
Jacksonville Ventures, Inc.	Developer	11,246,930
The Plantation	Developer	10,181,070
Hutton/Con	Multi-Family Developer	9,230,560
Hospital Affiliates	Owner of General Hospital	8,135,920
Atlantic East Condo Partnership	Condominium Developer	7,668,020
Ponce de Leon Partnership	Shopping Mall	6,084,370
ITT Rayonier, Inc.	Timber	5,920,640

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Source: St. Johns County Property Appraiser and Tax Collector

## SOURCES AND USES OF FUNDS

**Sources:**

Principal Amount of Bonds.....	\$ 4,685,000.00
Accrued Interest from the Bonds.....	26,310.39
Total.....	\$ 4,711,310.39

**Uses:**

Cost of Escrow to Defeas the Refunded Bonds.....	\$ 4,543,500.00
Deposit to 1988 Principal and Interest Account.....	26,310.39
Underwriter's Discount.....	70,275.00
Cost of Issuance (includes AMBAC Insurance).....	71,225.00
Total.....	\$ 4,711,310.39

## DEBT SERVICE SCHEDULE

<u>Period Ending March 1,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
1989	\$ 210,000	\$ 292,809	\$ 502,809
1990	210,000	295,040	505,040
1991	225,000	284,120	509,120
1992	235,000	271,970	506,970
1993	245,000	258,575	503,575
1994	265,000	244,120	509,120
1995	275,000	227,955	502,955
1996	300,000	210,630	510,630
1997	315,000	191,130	506,130
1998	335,000	170,025	505,025
1999	360,000	147,245	507,245
2000	385,000	122,405	507,405
2001	415,000	95,455	510,455
2002	440,000	65,990	505,990
2003	470,000	34,310	504,310

## FINANCIAL ADVISOR

Public Financial Management, Inc., Fort Myers, Florida, is serving as financial advisor to the County with respect to the sale of the Bonds. The financial advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, and issuance of the Bonds and provided other advice. Public Financial Management, Inc., is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading of municipal securities or any other negotiable instruments. Public Financial Management, Inc., is a wholly owned subsidiary of Marine Midland Bank, N.A.

## UNDERWRITING

William R. Hough & Co. has agreed, subject to certain conditions, to purchase the Bonds from the County at a price equal to 98.5% of the principal amount of the Bonds plus accrued interest to the date of delivery. The offer of the Underwriter to purchase the Bonds, accepted by the County, provides for the purchase of all of the Bonds.

The Bonds are being offered for sale to the public at the prices shown on the cover hereof. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices and such public offering prices may be changed, from time to time, by the Underwriter.

## RATINGS

Moody's Investors Service and Standard & Poor's Corporation have assigned their municipal bond ratings of "Aaa" and "AAA," respectively, to this issue of Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of the principal of and interest on the Bonds will be issued by AMBAC Indemnity Corporation. A

Such ratings reflect the views of the respective rating agencies and an explanation of the significance of such ratings may be obtained only from such rating agencies. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the respective agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

## VERIFICATION

The accuracy of (a) the arithmetical computations of the adequacy of the maturing principal and interest earned on the escrow obligations to pay when due or at earliest possible redemption date, the principal of, premium, if any, and interest on the Refunded Bonds, and (b) the arithmetical computations supporting the conclusion that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, have been verified by Grant Thornton, Minneapolis, Minnesota, a firm of independent certified public accountants. Such verification has been based upon information supplied by the County and the Underwriter.

## LEGALITY

Legal matters incident to the validity of the Bonds including their authorization, issuance and sale by the County and the tax-exempt status of the Bonds are subject to the unqualified approving legal opinion of Meredith & Dobson P.A., St. Augustine, Florida, Bond Counsel. Certain legal matters will also be passed upon for the County by its County Attorney, James G. Sisco, Esquire. Certain legal matters will be passed upon for the Underwriter by its counsel Rogers, Towers, Bailey, Jones & Gay, Jacksonville, Florida.

The form of Bond Counsel opinion appears as Appendix D to this Official Statement and will be printed on the Bond.

### TAX EXEMPTION

In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes. Furthermore, the Bonds are not "specified private activity bonds," and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years ending after December 31, 1989) for the purpose of computing the alternative minimum tax imposed on such corporations. For the purpose of rendering its opinion, Bond Counsel assumes compliance by the County with requirements of the Code that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The County has covenanted to comply with such requirements.

Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, property and casualty insurance companies, individual recipients of social security or railroad retirement benefits, foreign corporations engaged in a trade or business in the United States and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond counsel expresses no opinion regarding any federal tax consequences arising with respect to the Bonds, except as stated in the preceding paragraph.

In the opinion of Bond Counsel, the Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations (as defined in Chapter 220).

### LITIGATION

The County, its County Attorney and several County constitutional officers are currently being sued by Mr. John Barrow, a chronic litigator. The suit involves an alleged civil rights violation under federal law and seeks \$50,000,000 in damages, but in the opinion of the attorney representing the County and its officers, the suit is without merit. Additionally, a lawsuit and several claims have been filed against the County and against its sheriff seeking substantial damages, including punitive damages, for injuries alleged to have been incurred by inmates of the County Jail, for false arrest, and for various other reasons pertaining to law enforcement or inmate incarceration. The County Attorney has been advised by counsel for the sheriff that such claims are generally covered by the Florida Sheriffs Self-Insurance Fund and should not affect the County's ability to perform its financial obligations. It is the opinion of the County Attorney, that no legal proceedings are pending or

threatened which materially affect the County's ability to perform its obligations to the owners of the Bonds.

There is no litigation or controversy of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting the validity of the Bonds or any proceedings of the County taken with respect to the authorization, sale or issuance of said Bonds or the pledge or application of any moneys provided for the payment of the Bonds.

#### ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS

The portions of the Annual Financial Report and Financial Statements of the County for the fiscal year ended September 30, 1986, reproduced herein as Appendix A, are integral parts of this Official Statement. Copies of the complete Annual Financial Report are available from the Finance Director upon request.

#### SOURCES OF INFORMATION

The County has furnished all information in the Official Statement relating to matters pertaining to the County. The financial statements in Appendix A have been prepared by the County.

Any statements in this Official Statement, involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

#### AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT

This Official Statement has been authorized by St. Johns County, Florida. Concurrently with the delivery of the Bonds, the undersigned will furnish her certificate to the effect that, to the best of her knowledge, this Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances in which they were made, not misleading.

EXECUTION

The execution and delivery of this Official Statement has been duly authorized and approved by the County.

ST. JOHNS COUNTY, BOARD OF  
COUNTY COMMISSIONERS

| /s/ Lawrence Hartley |  
Chairman

## APPENDIX B

### GENERAL INFORMATION CONCERNING THE COUNTY

THE FOLLOWING INFORMATION CONCERNING ST. JOHNS COUNTY, FLORIDA, IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION.

#### Location

St. Johns County encompasses approximately 608 square miles and is located in the Northeast region of the State of Florida. The County is located directly South of Duval County, Florida, and it is bordered on the West by the St. Johns River, on the South by Flagler County, and on the East by the Atlantic Ocean.

There are four incorporated municipalities located in the County: St. Augustine, Hastings, portions of Marineland and St. Augustine Beach. St. Augustine, which was founded in 1565, is the oldest permanent European settlement in the United States and is the County Seat.

#### Population

St. Johns County currently ranks 32nd out of Florida's 67 counties in gross population and ranks fourth statewide in the percentage change in population growth.

St. Johns County has experienced steady population growth, as shown below:

<u>Year</u>	<u>Population</u>
1940 U.S. Census	20,012
1950 U.S. Census	24,998
1960 U.S. Census	30,034
1970 U.S. Census	31,025
1976 Estimate (1)	40,297
1977 Estimate (1)	42,751
1978 Estimate (1)	44,550
1979 Estimate (1)	45,961
1980 U.S. Census	51,303
1985 Estimate (1)	65,993
1987 Estimate (1)	<u>75,000</u>
1990 Estimate (1)	<u>86,000</u>

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(1) University of Florida Bureau of Economic and Business Research.

## Commerce and Industry

While tourism ranks high in the economy with more than one million visitors annually, manufacturing and commercial activities, including boat building, food processing, airplane modification and repair, garment manufacturing, book binding, aluminum extrusion and commercial fishing play key roles. The County is also the location of the general offices of the Florida East Coast Railway and the headquarters for the Florida Department of Military Affairs.

The strength of the employment growth and the steady growth in population has brought a corresponding increase in housing construction. From 1981 to 1985, multi-family construction exceeded that for single-family units, but the high population growth in 1986, generated a demand for single family housing as well as retailing and service employment.

## Agriculture

Agribusiness remains a key sector of the state and Northeast region's economy. Agriculture is a major industry in St. Johns County and in 1986 provided the County with on-farm revenue in excess of \$44 million.

St. Johns County is known as the potato and cabbage capital of Florida, and leads the other counties in the State in value of those products. Agriculture commodities produced in the County and their respective values for 1986 are as follows:

Potatoes	\$30,200,000
Cabbage	3,600,000
Other Vegetables	1,500,000
Forest Products	3,400,000
Livestock and Dairy	1,500,000
Corn and Grain Sorghum	500,000
Cut Flowers and Nurseries	3,000,000
Poultry	1,000,000
	<u>\$44,700,000</u>

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Source: Florida Department of Agriculture St. Johns County Extension Service, 1987.

The County's temperate climate with a mean temperature of 70°F and an average annual rainfall of 50 inches make it ideal for the agriculture products described above.

## Employment

The following table shows employment by category for the quarter ended June, 1987.

<u>Distribution</u>	<u>Number of Employers</u>	<u>Percentage of Total</u>
Manufacturing.....	2,573	11.74%
Construction.....	1,125	5.13
Transportation, Communications & Utilities.....	392	1.79
Wholesale Trade.....	730	3.33
Retail Trade.....	5,804	26.47
Finance, Insurance and Real Estate.....	908	4.14
Service.....	5,746	26.21
Government.....	4,066	18.54
Agriculture (Except Domestics, Self Employed, Unpaid Family Workers and Seasonal Workers).....	531	2.65
TOTAL	21,925	100.00%

Source: St. Johns County Chamber of Commerce

#### Major Employers

The following table shows the major employers in the St. Augustine area and their approximate current level of employment:

<u>Establishment</u>	<u>Product</u>	<u>Approximate Employment</u>
Grumman St. Augustine Corporation	Aircraft overhaul and modification	1,000+
Florida School for the Deaf and Blind	Educational Institution	595
St. Augustine Technical Center	Vocational-Tech Center	450
Parker Hannifan	Manufacturing	400+
V.A.W of America, Inc.	Aluminum Extrusion	300
Tree of Life	Health Food Distributor	200
Florida Department of Military Affairs	Florida National Guard Headquarters	191
Flagler College	Four-year Liberal Arts College	155

Florida East Coast Railway	Interstate Railroad Freight & Express	150
Leonard's Studio	Photo Finishing	140
Dupont & Sons, Inc., W.D.	Construction	103
Wise Foods (Division of Borden, Inc.)	Potato Chip Manufacturer	100
St. Augustine Record Inc.	Daily Newspaper	100

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Source: St. Johns County Chamber of Commerce, 1986.

### Tourism and Recreation

A combination of favorable climate and available recreational activities including public beaches, tennis courts, golf courses and cultural performances has made tourism a major industry in St. Johns County. Each year, more than one million persons visit the County to tour its 300 year old fortress, utilize the recreation facilities and to enjoy the antiquity of the nation's oldest city.

### Transportation Facilities

**Air:** Commercial airline service is available at the Jacksonville International Airport located approximately 60 miles north of St. Augustine. The Daytona Beach Regional Airport is approximately 55 miles south of the City. Charter flights and flight training are available at the St. Augustine Municipal Airport.

**Land:** Three major north/south highways, Interstate 95, U.S. 1 and State Route A1A, serve the City. Bus transportation is provided by Greyhound with 11 northbound and 11 southbound buses each day.

**Rail:** The County is served by the Florida East Coast Railway with freight service only. Amtrak and piggyback facilities are located in Jacksonville, 38 miles north of the County.

**Waterways:** The Port of St. Augustine provides access to the St. Augustine inlet, the Intracoastal Waterway and the Atlantic Ocean. The nearest deep water Port is Mayport near Jacksonville, approximately 36 miles north of the County.

### Health Care Facilities

Medical facilities are provided by Flagler Hospital, which has 131 beds, and the St. Augustine General Hospital, which has 115 beds. There are approximately 102 physicians in the area, including specialists in most fields. The County has four nursing homes; two of which are funded by the County and two of which are private establishments.

## Education

The public school system is operated by the County under authority of the St. Johns County Board of Public Instruction. There are nine elementary schools, three middle high schools, one junior-senior high school, one high school, an exceptional child center (ungraded), two elementary parochial schools, and a parochial high school, a tri-county Vocational and Technical Center, and Flagler College, which is a four-year liberal arts institution in which more than 1,000 students are enrolled. The State operates the Florida School for the Deaf and Blind in St. Augustine, with primary school through senior high school levels.

Source: St. Augustine and St. Johns County Chamber of Commerce, 1989.

### ST. JOHNS COUNTY, FLORIDA CIVILIAN LABOR FORCE 1978-1987 (unadjusted)

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employ- ment</u>	<u>Unemploy- ment</u>	<u>Unemploy- ment Rate</u>	<u>State Unemploy- ment Rate</u>
1978	17,926	16,674	1,252	7.0%	6.6%
1979	18,260	16,961	1,299	7.1	6.0
1980	21,272	19,662	1,609	7.6	5.9
1981	22,716	20,936	1,780	7.8	6.8
1982	23,924	21,709	2,215	9.3	8.2
1983	24,752	22,073	2,679	10.8	8.6
1984	29,212	26,953	2,259	7.7	6.3
1985	30,613	28,264	2,348	7.6	6.0
1986	35,097	32,815	2,282	6.5	5.7
1987*	37,623	35,630	1,993	5.3	5.0

\* Information as of December, 1987.

Source: Florida Department of Labor and Employment Security, Bureau of Research and Information, 1978-1986.

ST. JOHNS COUNTY FLORLDA  
TAXABLE ASSESSED PROPERTY VALUATIONS

<u>Year</u>	<u>Non-Exempt Real Property Valuations</u>	<u>Non-Exempt Personal Valuations</u>	<u>Non-Exempt Utilities Railroad</u>	<u>Total Taxable Assessed Property Valuations</u>
1977	\$ 588,705,978	\$ 62,714,130	\$ 6,377,056	\$ 657,797,164
1978	628,833,959	65,572,400	7,534,157	701,940,516
1979	667,457,915	72,027,005	7,784,257	747,269,177
1980	732,710,802	89,720,310	9,631,143	832,062,285
1981	815,236,870	104,378,309	7,857,790	927,472,969
1982	1,126,962,798	120,451,844	10,138,271	1,257,552,913
1983	1,226,468,247	145,294,724	12,030,202	1,383,793,173
1984	1,390,604,279	164,557,438	12,216,354	1,567,378,071
1985	1,676,324,251	186,860,675	8,476,494	1,871,661,420
1986	1,968,339,974	207,796,386	10,647,913	2,186,784,273
1987	2,184,537,016	233,803,639	9,286,723	2,427,627,378

Source: St. Johns County, Florida, Office of the Property Appraiser.

ST. JOHNS COUNTY, FLORIDA  
AD VALOREM TAX LEVIES AND COLLECTIONS

<u>Year</u>	<u>Property Taxes Levied</u>	<u>Total Tax Collections(1)</u>	<u>% of Levy Collected(2)</u>	<u>Delinquent Tax Uncollected</u>
1980	\$12,923,730	\$12,703,385	98.30%	\$220,345
1981	16,539,045	16,208,819	98.00	330,226
1982	19,836,859	19,635,820	98.99	201,039
1983	23,677,638	23,320,383	98.49	357,255
1984	25,229,244	24,805,582	98.32	423,662
1985	31,295,519	31,042,190	99.19	253,329
1986	35,783,406	<u>35,549,355</u>	<u>99.35</u>	<u>234,051</u>
1987	40,093,043			

Source: Tax Collector, St. Johns County

- (1) Aggregate amount of tax collections as of close-out of fiscal year ending September 30, which includes the aggregate amount of discounts actually taken by taxpayers as allowed by Florida law. A 4% discount is allowed if the taxes are paid in November with the discount declining by 1% each month thereafter. Total tax collections include current taxes paid, tax certificate proceeds, delinquent tax payments upon taxable personal property, and any prior period payments on County-held tax certificates.
- (2) Represents percentage of current gross collections (total collections plus discounts taken) to property taxes levied.
- (3) Process not completed until September.

ST. JOHNS COUNTY, FLORIDA  
 SCHEDULE OF LONG-TERM DEBT  
 as of February 23, 1988

<u>Issue Title</u>	<u>Amount Issued</u>	<u>Out-standing Principal</u>	<u>Pledged for Payment</u>
1966 General Obligations Bonds	\$ 1,300,000	\$ <u>1305,000</u>	ad valorem taxes
1981 Water Revenue Bonds	2,422,700	2,298,000	water revenues
1986 Water and Sewer Refunding Revenue Bonds	5,400,000	5,310,000	water and sewer revenues
1986 Refunding Revenue Bonds	4,060,000	3,320,000	half-cent sales tax
Capital Improvement Revenue Bonds, Series 1987	3,140,000	3,140,000	guaranteed entitlement and pari-mutuel tax
Transportation Improvement Revenue Bonds, Series 1988	12,495,000	12,495,000	local option gas tax
Limited Ad Valorem Tax Refunding Bonds, Series 1988	4,685,000	4,685,000	ad valorem taxes
<b>TOTAL BONDED INDEBTEDNESS</b>	<b>\$33,502,700</b>	<b>\$31,553,000</b>	

**Police and Fire Protection**

St. Johns County is served by the Sheriff's Department, which has approximately 121 full and part-time employees including deputies, the detective division, communications, jail and administrative personnel. There are sixteen fire stations operating within the County, serviced by volunteers. The Fire Department operates a special rescue unit manned by trained emergency medical technicians.

**Government**

St. Johns County has a five-member Board of Commissioners elected for staggered terms of four years. The Chairman and Vice-Chairman are elected by the Board. The Board apportions and levies County Taxes and controls

the expenditure of all County funds, except for schools, which are controlled by the Board of Public Instruction. The budget year of the County runs from October 1 to the following September 30. Operating revenue is raised from ad valorem taxes and real and personal property taxes, with supplements from state and federal sources for county roads, welfare and health. The Board operates a county road system and has power to establish, build, maintain, repair, protect and preserve these public facilities. The Board may issue bonds for all lawful purposes. The Board correlates and is responsible for various types of elections in the County. Other elected officials serving county-wide are a five-member Board of Public Instruction, a Superintendent of Public Instruction, a Property Appraiser, a Tax Collector, a Supervisor of Elections, a Sheriff, and a Clerk of the Circuit Court who is also Ex-Officio Clerk of the Board of County Commissioners. The Board appoints a County Administrator who serves at the will of the Board.

# Municipal Bond Insurance Policy

AMBAC Indemnity Corporation  
c/o CT Corporation Systems  
222 W. Washington Ave., Madison, WI 53703  
Administrative Office:  
One State Street Plaza, New York, NY 10004

Issuer:

Policy Number:

Bonds:

Premium:



**AMBAC Indemnity Corporation (AMBAC)** A Wisconsin Stock Insurance Company

in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to the United States Trust Company of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of Bondholders that portion of the principal of and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

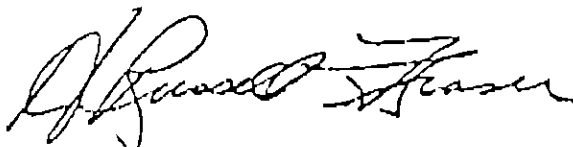
AMBAC will make such payments to the Insurance Trustee within 5 days following notification to AMBAC of Nonpayment. Upon a Bondholder's presentation and surrender to the Insurance Trustee of such unpaid Bonds or appurtenant coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment by its issuer. Upon such disbursement, AMBAC shall become the owner of the surrendered Bonds and coupons and shall be subrogated to all of the Bondholder's rights to payment.

In cases where the Bonds are issuable only in a form whereby principal is payable to registered Bondholders or their assigns, the Insurance Trustee shall disburse principal to a Bondholder, as aforesaid, only upon presentation and surrender to the Insurance Trustee of the unpaid Bond, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to the Insurance Trustee, duly executed by the Bondholder or such Bondholder's duly authorized representative, so as to permit ownership of such Bond to be registered in the name of AMBAC or its nominee. In cases where the Bonds are issuable only in a form whereby interest is payable to registered Bondholders or their assigns, the Insurance Trustee shall disburse interest to a Bondholder, as aforesaid, only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Bond and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to the Insurance Trustee, duly executed by the claimant Bondholder or such Bondholder's duly authorized representative, transferring to AMBAC all rights under such Bond to receive the interest in respect of which the insurance disbursement is made. AMBAC shall be subrogated to all of the Bondholders' rights to payment on registered Bonds to the extent of the insurance disbursements so made.


As used herein, the term "Bondholder" means any person other than the Issuer who, at the time of Nonpayment, is the owner of a Bond or of a coupon appurtenant to a Bond. "Due for Payment", when referring to the principal of Bonds, is when the stated maturity date or maturity date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Bonds, is when the stated date for payment of interest has been reached. "Nonpayment" means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all principal of and interest on the Bonds which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Bonds prior to maturity. This Policy does not insure against loss of any redemption, prepayment or acceleration premium which at any time may become due in respect of any Bond, nor against risk other than Nonpayment.

In witness whereof, AMBAC has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon AMBAC by virtue of the counter-signature of its duly authorized representative.

  
President




  
Secretary

Effective Date:

Authorized Representative

UNITED STATES TRUST COMPANY OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

  
Authorized Officer