

RESOLUTION NO. 90-194

A RESOLUTION OF ST. JOHNS COUNTY, FLORIDA, PROVIDING FOR THE ACQUISITION OF DISPOSAL SITES AND RELATED EQUIPMENT AND THE CONSTRUCTION OF APPURTENANT SITE FACILITIES FOR THE DISPOSITION BY THE COUNTY OF SOLID WASTE GENERATED WITHIN THE COUNTY AND FOR THE CLOSING OF AN EXISTING DISPOSAL SITE; AUTHORIZING THE ISSUANCE BY THE COUNTY OF NOT EXCEEDING \$13,215,000 IN AGGREGATE PRINCIPAL AMOUNT OF SOLID WASTE DISPOSAL REVENUE BONDS, SERIES 1990, TO FINANCE THE COST OF SUCH PROJECT, FUND A DEBT SERVICE RESERVE AND PAY THE COSTS OF ISSUANCE OF SUCH BONDS; PLEDGING TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS CERTAIN PLEDGED FUNDS INCLUDING CERTAIN OF THE NET REVENUES OF THE COUNTY'S SOLID WASTE DISPOSAL SYSTEM, ALL MONEYS ON DEPOSIT IN AND INVESTMENTS HELD FOR THE CREDIT OF CERTAIN FUNDS CREATED HEREUNDER AND THE EARNINGS ON SUCH INVESTMENTS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDERS OF SUCH BONDS; RATIFYING ACCEPTANCE OF THE INSURER'S COMMITMENT; REPEALING RESOLUTION NO. 88-265; AND PROVIDING AN EFFECTIVE DATE.

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

ARTICLE I

GENERAL

SECTION 1.01. Definitions. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation or the date of computation if an Interest Date, such interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Date and the Accreted Value as of the immediately succeeding Interest Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a 360-day year.

"Act" shall mean Chapter 125, Part I, Florida Statutes, as amended, St. Johns County Ordinance No. 88-49, and other applicable provisions of law.

"Additional Bonds" shall mean the obligations issued at any time under the provisions of Section 5.02 hereof on a parity with the Series 1990 Bonds.

"Additional Project" shall mean the acquisition, construction, erection, renovation or reconstruction of any capital improvements and additions to the System authorized by the Act, as the same may be amended from time to time, or other lawful legislative authority, and shall include all property rights, appurtenances, easements, rights of way, franchises and equipment relating thereto and deemed necessary or convenient for the acquisition, construction, erection, renovation, reconstruction, or the operation thereof, and the closure of existing and new solid waste disposal sites as the need for closure arises, which shall be financed in whole or in part with the proceeds of Additional Bonds.

"Amortization Installment" shall mean a mandatory redemption amount designated as such by Supplemental Resolution and established with respect to any Term Bonds.

"Annual Audit" shall mean the annual audit prepared pursuant to the requirements of Section 5.10 hereof.

"Annual Budget" shall mean the annual budget prepared pursuant to the requirements of Section 5.06 hereof.

"Assessments" shall mean the proceeds to be derived by the Issuer from the non ad-valorem assessments which may be levied from time to time by the Issuer, on its own behalf or as the governing body of a municipal services benefit unit, against certain classifications of lands and properties to be specially benefited by the construction of any Project, including interest on such assessments and any penalties thereon and moneys received upon the foreclosure of the liens of any such assessments and, by reason of such assessments, upon the sale of tax certificates, and shall include, without limitation, any assessments levied pursuant to Ordinance No. 88-49 or Ordinance No. 89-20 of the Issuer.

"Authorized Depository" shall mean the State Board of Administration of Florida or a bank or trust company in the State which is eligible under the laws of the State to receive funds of the Issuer.

"Authorized Investments" shall mean any of the following which shall be authorized from time to time by applicable laws of the State for deposit or purchase by the Issuer for the investment of its funds:

- (1) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America ("Direct Obligations");
- (2) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; senior debt obligations of the Federal Home Loan Banks; debentures of the Federal Housing Administration; guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Corporations; guaranteed Title XI financing of the U.S. Maritime Administration; mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association; and participation certificates

and senior debt obligations of the Federal Home Loan Mortgage Corporation (collectively, "Agency Obligations");

- (3) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured general obligation debt is rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation;
- (4) commercial paper rated "Prime-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Corporation;
- (5) obligations rated "A-3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation;
- (6) deposits, Federal funds or bankers acceptances of any domestic bank, including a branch office of a foreign bank which branch office is located in the United States, provided an opinion of counsel is received to the effect that full and timely payment of each such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which:
 - a. has an unsecured, uninsured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's Investors Service and "A-1" or "A-" or better by Standard & Poor's Corporation, or
 - b. is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting the rating requirements in (a.) above;
- (7) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$3 million, provided such deposits are fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund administered by the Federal Deposit Insurance Corporation;

- (8) investments in a money-market fund rated "Am" or "Am-G" or better by Standard & Poor's Corporation;
- (9) repurchase agreements with a term of one year or less with any institution with debt rated "AA" or commercial paper rated "A-1" (in each case by Standard & Poor's Corporation);
- (10) repurchase agreements collateralized by Direct Obligations or Agency Obligations with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's Investors Service, and "A-1" or "A-" or better by Standard & Poor's Corporation, provided:
 - a. a master repurchase agreement or specific repurchase agreement in writing governs the transaction; and
 - b. the securities are held free and clear of any lien by a trustee or an independent third party acting solely as agent for a trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25 million, or (iii) a bank approved in writing for such purpose by Financial Guaranty Insurance Company, and the trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the trustee; and
 - c. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the trustee; and
 - d. the repurchase agreement has a term of thirty days or less, or the trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

- e. the repurchase agreement matures at least ten days (or other appropriate liquidation period) prior to a debt service payment date; and
 - f. the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 100%; and
- (11) investment agreements with a bank or insurance company which has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, provided:
- a. interest is paid at least semi-annually at a fixed rate during the entire term of the agreement, consistent with bond payment dates, and
 - b. moneys invested thereunder may be withdrawn without any penalty, premium, or charge upon not more than one day's notice (provided such notice may be amended or canceled at any time prior to the withdrawal date), and
 - c. the agreement is not subordinated to any other obligations of such insurance company or bank, and
 - d. the same guaranteed interest rate will be paid on any future deposits made to restore the reserve to its required amount, and
 - e. an opinion of counsel is received to the effect that such agreement is an enforceable obligation of such insurance company or bank.
- (12) Certificates of deposit properly secured at all times by collateral security described in either or both of paragraphs (1) and (2) of this definition or in the collateral provisions of Chapter 280, Florida Statutes, as amended, and issued by commercial banks, savings and loan associations or mutual savings banks chartered by the State or the United States of America, and bank trust receipts issued by commercial banks or trust companies chartered by the State or the United States of

America upon any securities described in paragraph (1) of this definition.

- (13) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, as amended, or any similar common trust fund which is established pursuant to State law as a legal depository of public moneys.

"Authorized Issuer Officer" for the performance on the behalf of the Issuer of any act of the Issuer or the execution of any instrument on behalf of the Issuer shall mean any person authorized by resolution of the Issuer or appointed by certificate of the Chairman to perform such act or sign such document.

"Bond Amortization Account" shall mean the separate account of that name in the Debt Service Fund established pursuant to Section 4.05 hereof.

"Bond Counsel" shall mean any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Insurance Policy" shall mean the municipal bond new issue insurance policy or policies issued by an Insurer guaranteeing the payment of the principal of and interest on any portion of the Bonds.

"Bond Year" pertaining to any Series shall mean the period commencing on November 2 of each year and continuing through the next succeeding November 1. Each Bond Year shall be designated with the number of the calendar year in which such Bond Year ends.

"Bondholder" or "Holder" or "holder" shall mean any Person who shall be the registered owner of any Outstanding Bond or Bonds according to the registration books of the Issuer.

"Bonds" shall mean the Series 1990 Bonds, together with any Additional Bonds and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 5.04 hereof.

"Book Entry Form" or "Book Entry System" means, with respect to the Bonds, a form or system, as applicable, under which (1) the ownership of beneficial interests in Bonds and bond service charges may be transferred only through a book entry and (2) physical Bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as

Holder, with the physical Bond certificates "immobilized" in the custody of the Securities Depository.

"Capital Appreciation Bonds" shall mean those Bonds so designated by Supplemental Resolution, which may be either Serial Bonds or Term Bonds and which shall bear interest payable at maturity or redemption. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

"Chairman" shall mean the Chairman of the Governing Body or such other person as may be duly authorized by the Issuer to act on his or her behalf.

"Clerk" shall mean the Clerk of the Circuit Court for St. Johns County and ex officio Clerk of the Governing Body or such other person as may be duly authorized by the Clerk to act on his or her behalf.

"Closure Fund" shall mean the landfill management escrow account established by the Issuer pursuant to Section 4.05 hereof for the purpose of complying with Section 403.7125, Florida Statutes, as amended, to ensure the availability of financial resources for the proper closure of the landfills of the System.

"Code" shall mean the United States Internal Revenue Code of 1986, as the same may be amended from time to time, and the regulations thereunder, whether proposed, temporary or final, promulgated by the Department of the Treasury, Internal Revenue Service, and all other promulgations of said service pertaining thereto.

"Construction Fund" shall mean the Construction Fund established pursuant to Section 4.04 hereof.

"Consulting Engineers" shall mean the firm of engineers licensed as professional engineers in the State of Florida and retained by the Issuer to perform the duties of the Consulting Engineers under the provisions of this Resolution.

"Cost" when used in connection with a Project, shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of such Project; (3) costs of land and interests therein and the cost of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations relating to the Project during the construction period of such Project and for a reasonable period thereafter; (6) engineering, legal and other consultant fees and expenses; (7) costs and expenses

incidental to the issuance of the Bonds including bond insurance premium, rating agency fees and the fees and expenses of any auditors, Paying Agent, Registrar, Credit Bank or depository; (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Issuer (other than the Bonds) incurred for such Project; (9) costs of machinery or equipment required by the Issuer for the commencement of operation of such Project; and (10) any other costs properly attributable to the issuance of the Bonds, and such construction or acquisition, as determined by generally accepted accounting principles and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by the Issuer. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"Costs of Issuance Account" shall mean the St. Johns County Solid Waste Disposal Revenue Bonds Costs of Issuance Account established pursuant to Section 2.03(C) hereof.

"Coupon Bonds" shall mean any Bonds the interest payable on which shall be represented by bearer coupons attached thereto, and the interest on which Bonds shall be payable only upon the presentation and surrender of such coupons to the Paying Agent as they severally fall due.

"Credit Bank" shall mean as to any particular Series of Bonds, the Person (other than an Insurer) providing a letter of credit, a line of credit or another credit or liquidity enhancement facility, as designated in the Supplemental Resolution providing for the issuance of such Bonds.

"Credit Facility" shall mean as to any particular Series of Bonds, a letter of credit, a line of credit or another credit or liquidity enhancement facility (other than an insurance policy issued by an Insurer), as approved in the Supplemental Resolution providing for the issuance of such Bonds.

"Debt Service Fund" shall mean the St. Johns County Solid Waste Disposal Revenue Bonds Debt Service Fund established pursuant to Section 4.05 hereof.

"Debt Service Requirement" for any Bond Year shall mean the sum of:

(1) The aggregate amount required to pay the interest becoming due on the Bonds, other than Capital Appreciation Bonds, during such Bond Year, except to the extent that such interest shall have been provided by payments into the Interest Account out of Bond proceeds or other sources for a specified period of time. For purposes of this definition, the interest due on any Variable Rate Bonds shall be assumed to be the greater of (a) 110% of the daily average interest rate on such Variable Rate

Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Bonds shall have been outstanding, or (b) the actual rate of interest borne by such Variable Rate Bonds on the date of calculation.

(2) The aggregate amount required to pay the principal becoming due on the Bonds, other than Capital Appreciation Bonds, for such Bond Year. For purposes of this definition: (a) the stated maturity date of any Term Bonds shall be disregarded and the principal of such Term Bonds shall be deemed to be due in the Bond Years and in the amounts of the Amortization Installments applicable to such Term Bonds; and (b) the principal amount of any single maturity of Term Bonds for which the Issuer shall have established no Amortization Installments shall be deemed to be due in the Bond Years and in such amounts as shall provide for the amortization of such principal amount over a term equal to the number of years such Term Bonds shall be Outstanding to such maturity and in equal annual installments of combined principal and interest; provided, however, that if the Issuer has employed a Credit Facility in connection with any such Term Bonds having no Amortization Installments the amortization of such Term Bonds shall be deemed to correspond to the applicable terms of such Credit Facility.

(3) The aggregate amount required to pay the Accreted Value due on any Capital Appreciation Bonds maturing in such Bond Year.

"Federal Securities" shall mean direct obligations of the United States of America and obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor. Federal Securities shall include any certificates or any other evidences of an ownership interest in the aforementioned obligations or in specified portions thereof (which may consist of specified portions of the interest thereon).

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Governing Body" shall mean the Board of County Commissioners of the Issuer or its successor in function.

"Gross Revenues" shall mean all income and moneys received by the Issuer from the Rates, and all earnings and income derived from the investment of moneys under the provisions of this Resolution which are transferred to the Revenue Fund or the Interest Account as herein provided. Gross Revenues shall also include

Assessments but only to the extent and in the manner as such Assessments are pledged to the payment of the Bonds pursuant to Section 4.03 hereof.

"Initial Project" shall mean the acquisition of an existing and a new solid waste disposal site, including buffer and testing sites, and equipment useful in connection therewith, the construction of necessary appurtenant site facilities and the closing of the Issuer's existing solid waste disposal site, all as shall be necessary for the disposition by the Issuer of solid waste generated within the territorial area of the Issuer, as more particularly described in and in accordance with certain plans on file or to be on file with the Issuer, with such changes, deletions, additions or modifications to the enumerated improvements, equipment and facilities, or such other improvements as shall be designated and approved by resolution of the Governing Body in accordance with the Act.

"Insurer" shall mean such Person as shall be in the business of insuring or guaranteeing the payment of principal of and interest on municipal securities and whose credit is such that, at the time of any action or consent required or permitted by the Insurer pursuant to the terms of this Resolution, all municipal securities insured or guaranteed by it are then rated, because of such insurance or guarantee, in one of the two most secure grades by either Moody's Investors Service or Standard and Poor's Corporation, and with respect to any Series of Bonds, the Insurer which shall have insured or guaranteed payment of the principal of or interest on such Bonds. In respect of the Series 1990 Bonds, "Insurer" shall mean Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

"Interest Account" shall mean the separate account of that name in the Debt Service Fund established pursuant to Section 4.05 hereof.

"Interest Date" shall be such date or dates for the payment of interest on a Series of Bonds as shall be provided by Supplemental Resolution.

"Issuer" shall mean St. Johns County, Florida.

"Maximum Debt Service Requirement" shall mean, as of any particular date of calculation, the greatest annual Debt Service Requirement for the Bonds for the then current or any future Bond Year.

"Maximum Interest Rate" shall mean, with respect to any particular Variable Rate Bonds, a numerical rate of interest,

which shall be set forth in the Supplemental Resolution delineating the details of such Bonds, that shall be the maximum rate of interest such Bonds may at any time bear in the future in accordance with the terms of such Supplemental Resolution.

"Moody's Investors Service" shall mean Moody's Investors Service, the nationally recognized securities rating firm, and any successor or successors thereto; and if such corporation shall be dissolved or liquidated or shall no longer perform securities rating functions, shall mean any other nationally recognized securities rating firm designated by the Issuer and approved by the Insurer and/or the Credit Bank, as applicable.

"Net Revenues" shall mean Gross Revenues less Operating Expenses.

"Operation and Maintenance Fund" shall mean the Operation and Maintenance Fund created pursuant to Section 4.05 hereof.

"Operating Expenses" shall mean the Issuer's expenses (i) for operation, maintenance, repairs and replacements with respect to the System and (ii) incurred to administer, levy and collect the Rates and the Assessments, if levied and pledged (the "Collection"), and shall include, without limiting the generality of the foregoing, administration expenses, insurance and surety bond premiums, the fees to the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit (but excluding any expenses or reimbursement obligations for draws made thereunder), the fees of any rebate compliance service or of Bond Counsel relating to compliance with the provisions of Section 148 of the Code, legal and engineering expenses, ordinary and current rentals of equipment or other property, refunds of moneys lawfully due to others, payments to pension, retirement, health and hospitalization funds, and any other expenses required to be paid for or with respect to proper operation or maintenance of the System or the Collection, all to the extent properly attributable to the System or the Collection in accordance with generally accepted accounting principles employed in respect of activities such as those involved in the Collection or in the operation of public solid waste disposal facilities similar to the System, as the case may be, and disbursements for the expenses, liabilities and compensation of any Paying Agent or Registrar under this Resolution, but does not include any costs or expenses in respect of original construction or improvement other than expenditures necessary to prevent an interruption or continuance of an interruption of the Gross Revenues or minor capital expenditures necessary for the proper and economical operation or maintenance of the System, or any provision for interest, depreciation, amortization or similar charges.

"Outstanding" shall mean all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under an agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Sections 2.06 and 2.08 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof, and (4) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity.

"Paying Agent" shall mean any paying agent for Bonds appointed by or pursuant to resolution of the Governing Body and its successors or assigns, and any other Person which may at any time be substituted in its place pursuant to resolution of the Governing Body.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Funds" shall mean the Net Revenues and, until applied in accordance with the provisions of this Resolution, the proceeds of the Bonds and all moneys, including investments thereof, in the Revenue Fund, the Debt Service Fund and the Renewal and Replacement Fund. Pledged Funds shall not include Net Revenues on deposit in the Closure Fund, the Rebate Fund or the Rate Stabilization Fund.

"Prerefunded Obligations" shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (a) not callable prior to maturity or (b) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, and as to which the obligor has reserved no right to call such bonds prior to such redemption date, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or Federal Securities, secured in the manner set forth in Section 8.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities deposited in such fund with any cash on deposit in such fund, are sufficient, as verified by an independent certified public accountant, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in such irrevocable instructions, and (4) which

are rated in the highest rating category of Standard & Poor's Corporation and of Moody's Investors Service.

"Principal Account" shall mean the separate account of that name in the Debt Service Fund established pursuant to Section 4.05 hereof.

"Project" shall mean the Initial Project and any Additional Project.

"Rates" shall mean the tipping fees and other charges which may be made and collected by the Issuer for the use of the services or facilities of the System, but shall not include Assessments.

"Rate Stabilization Fund" shall mean the Rate Stabilization Fund established pursuant to Section 4.05 hereof.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 4.05 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or Supplemental Resolution.

"Registrar" shall mean any registrar for the Bonds appointed by or pursuant to resolution of the Governing Body and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to resolution of the Governing Body.

"Renewal and Replacement Fund" shall mean the Renewal and Replacement Fund established pursuant to Section 4.05 hereof.

"Renewal and Replacement Fund Requirement" shall mean, as of any date of calculation, an amount of money equal to five percent (5%) of the Gross Revenues received by the Issuer in the immediately preceding Fiscal Year or such other greater or lesser sum as shall be recommended to the Issuer by the Consulting Engineers and approved by the Governing Body as a sum appropriate for the Renewal and Replacement Fund considering the purposes therefor as prescribed by this Resolution, the past performance and existing condition of the System and the probable future solid waste disposal requirements of the Issuer, in keeping with sound waste management practices.

"Reserve Account" shall mean the separate account of that name in the Debt Service Fund established pursuant to Section 4.05 hereof.

"Reserve Account Insurance Policy" shall mean the insurance policy deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.06(B)(4).

"Reserve Account Letter of Credit" shall mean a Credit Facility (other than a Reserve Account Insurance Policy) issued by any bank or national banking association, insurance company or other financial institution and then on deposit in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.06(B)(4) hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation, an amount of money equal to the lesser of (1) the Maximum Debt Service Requirement, (2) 125% of the average annual Debt Service Requirement, or (3) 10% of the initial proceeds of all Bonds. In computing the Reserve Account Requirement, the interest rate on Variable Rate Bonds shall be assumed to be the greater of (a) 110% of the daily average interest rate on such Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period of time that such Bonds shall have been Outstanding, or (b) the actual rate of interest borne by the Variable Rate Bonds on such date of calculation.

"Resolution" and "this Resolution" shall mean this instrument, as the same may from time to time be amended, modified or supplemented by any and all Supplemental Resolutions.

"Revenue Fund" shall mean the Revenue Fund established pursuant to Section 4.05 hereof.

"Securities" shall mean Federal Securities and Prere-funded Obligations.

"Securities Depository" means any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of beneficial interests in Bonds, and to effect transfers of Bonds, in Book Entry Form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

"Serial Bonds" shall mean all of the Bonds other than the Term Bonds.

"Series" shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 2.01 and 2.02 hereof or in a Supplemental Resolution authorizing the issuance by the Issuer of such Bonds as a separate

Series, regardless of variations in maturity, interest rate, Amortization Installments or other provisions.

"Series 1990 Bonds" shall mean the Issuer's Solid Waste Disposal Revenue Bonds, Series 1990, authorized pursuant to Section 2.02 hereof.

"Standard and Poor's Corporation" shall mean Standard and Poor's Corporation, the nationally recognized securities rating firm, and any successor and successors thereto; and if such corporation shall be dissolved or liquidated or shall no longer perform securities rating functions, shall mean any other nationally recognized securities rating firm designated by the Issuer and approved by the Insurer and/or the Credit Bank, as applicable.

"State" shall mean the State of Florida.

"Subordinated Indebtedness" shall mean that indebtedness of the Issuer, payable in whole or in part out of the Pledged Funds, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.01 hereof and any Variable Rate Bonds which become Subordinate Indebtedness in accordance with Section 5.02(F) hereof.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution, adopted and becoming effective prior to the issuance of the Series 1990 Bonds or in accordance with the terms of Sections 4.03, 7.01, 7.02 and 7.03 hereof.

"System" shall mean the Initial Project, every Additional Project, any and all other solid waste disposal sites and the facilities and equipment thereon, and any solid waste management facilities described in the definition of "Project" contained in St. Johns County Ordinance No. 88-49, or in the definition of "County Landfill" contained in St. Johns County Ordinance No. 89-20, as either may be amended from time to time, now owned and operated or hereafter acquired and operated by the Issuer (unless the Issuer shall obtain with respect to any such equipment, facilities and/or sites and file in the minutes of the Governing Body a certificate of the Consulting Engineers to the effect that (i) the net revenues to be derived by the Issuer from such equipment, facilities and/or sites is not required for payment of the debt service of the Bonds and (ii) the operation by the Issuer of such equipment, facilities and/or sites apart from the system shall not have a substantially adverse effect on the production of sufficient Net Revenues for payment of the debt service of the Bonds, and the Issuer shall expressly declare by resolution of the Governing Body that such equipment, facilities and/or sites shall not be a part of the System), which System shall also include

any and all improvements, extensions and additions to the foregoing which shall be hereafter constructed or acquired, whether the same shall be financed from the proceeds of Bonds or from any other funds or sources, together with all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith; but excluding, however, all such sites which shall hereafter remain closed by resolution of the Governing Body in the manner provided in Section 5.11 hereof.

"Taxable Bond" shall mean any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income taxation purposes.

"Term Bonds" shall mean those Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution and which are subject to mandatory redemption by Amortization Installments.

"Variable Rate Bonds" shall mean Bonds issued with a variable, adjustable, convertible or other interest rate which at the date of issue is not fixed as one or more stated percentages for the entire term of such Bonds.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02. Authority for Resolution. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.03. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds and shall be a part of the contract of the Issuer with any Credit Bank and any Insurer. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and for the benefit, protection and security of any Credit Bank and any Insurer. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04. Findings. It is hereby ascertained, determined and declared as follows:

(A) The Issuer deems it necessary, desirable and in the best interests of the Issuer that the Initial Project be acquired and constructed.

(B) The Cost of the Initial Project shall be financed with the proceeds of the Series 1990 Bonds.

(C) The Issuer deems it necessary, desirable and in the best interest of the Issuer that the Pledged Funds be pledged to the payment of the principal of and interest on the Bonds. No part of the Pledged Funds has been pledged or encumbered in any manner.

(D) The estimated Gross Revenues to be derived in each year hereafter will be sufficient to pay Operating Expenses, the principal of and interest on the Bonds, as the same become due, and all other payments provided for in this Resolution.

(E) This Resolution is adopted and the Bonds authorized hereunder are being issued under the authority of the Act and in reliance on the provisions of Chapter 403, Part IV, Florida Statutes, as amended, including, Section 403.706(15), Florida Statutes, as amended.

(F) No Bondholder shall ever be entitled to compel the payment of the principal of and interest on the Bonds or any other payments provided for in this Resolution from any funds or revenues of the Issuer other than the sources herein provided in accordance with the terms hereof; nor will any Bondholder or any Credit Bank or any Insurer have the right to compel the exercise of the ad valorem taxing power of the Issuer to pay the principal of or interest on the Bonds or to make any other payments provided for in this Resolution, and the Bonds shall not constitute a lien upon any property of the Issuer or situated within its territorial limits, except the Pledged Funds.

(G) The Issuer has accepted the commitment received from the Insurer to provide a policy of municipal bond insurance with respect to the Series 1990 Bonds, a copy of which commitment is attached hereto as Exhibit A; and it is in the best financial interest of the Issuer that the Issuer ratify hereby its acceptance of said commitment.

SECTION 1.05. Initial Project Authorized. The acquisition and construction of the Initial Project in the manner herein provided is hereby authorized.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01. Authorization of Bonds. The Issuer hereby authorizes the issuance of Bonds of the Issuer to be designated as "St. Johns County, Florida, Solid Waste Disposal Revenue Bonds," which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as may hereafter be provided by Supplemental Resolution or as limited by the Act or by other applicable law.

The Bonds may, if and when authorized by the Issuer pursuant to this Resolution or Supplemental Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined by this Resolution or by Supplemental Resolution. From and after any maturity date of any of the Bonds (deposit of moneys and/or Securities for the payment of the principal and interest on such Bonds having been made by the Issuer with the Paying Agents), notwithstanding that any of such Bonds shall not have been surrendered for cancellation, no further interest shall accrue upon the principal or upon the interest which shall have accrued and shall then be due on such date, and such Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the Holders shall have no rights in respect of such Bonds except to receive payment of such principal and unpaid interest accrued to the maturity date.

The Bonds shall be issued in such denomination or denominations and such form, whether coupon or registered; shall be dated such date or dates; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature on May 1 or November 1 in such years and amounts; and the proceeds shall be used in such manner all as determined by this Resolution or by Supplemental Resolution. The Issuer may issue Bonds which may be secured by a Credit Facility or by an insurance policy of an Insurer all as shall be determined by this Resolution or by Supplemental Resolution.

A Securities Depository may act as securities depository for the Bonds. The ownership of one fully registered, certificated Bond for each Series and maturity, each in the aggregate principal amount of such Series and maturity, may be registered in the name of a Securities Depository or its nominee.

The Bonds in a Book Entry System registered in the name of a Securities Depository or its nominee shall be payable in lawful money of the United States of America without deduction for the services of the Registrar, the Paying Agent or any trustee or receiver, except to the extent otherwise provided in Section 6.06 hereof, in immediately available funds (1) in the case of principal of and any premium on any such Bond, delivered or transmitted to the Securities Depository or its authorized representative when due and upon presentation and surrender of such Bond to the Paying Agent, and (2) in the case of interest on the Bonds, delivered or transmitted on any date interest is due to the Securities Depository or its nominee that was the Holder of that Bond (or one or more predecessor Bonds) at the close of business on the record date applicable to that interest payment date.

The Issuer will recognize the Securities Depository or its nominee as the Bondholder for all purposes, including notices. Conveyance of notices and other communications by the Securities Depository to participants, by participants to indirect participants, and by participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

In the event that (1) the Securities Depository determines to discontinue providing its service with respect to the Bonds by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law, and the Issuer fails to appoint a successor Securities Depository for the Bonds, or (2) the Issuer determines to discontinue the Book Entry System through a Securities Depository, then bond certificates in fully registered form shall be delivered to the assigns of the Securities Depository or its nominee. The purchasers of beneficial ownership interest in the Bonds (the "Beneficial Owners"), upon registration with the Registrar of certificates held in the Beneficial Owners' names, will become the registered owners of the Bonds.

The Issuer will not have any responsibility or obligation to any Beneficial Owner or any other Person with respect to (1) the accuracy of any records maintained by the Securities Depository or any Persons participating by or through the Securities Depository; (2) the payment by the Securities Depository or any Persons participating by or through the Securities Depository of any amount with respect to the principal or Redemption Price, if any,

of or interest on the Bonds; (3) any notice which is permitted or required to be given to Bondholders under this Resolution; (4) the selection by the Securities Depository or any Persons participating by or through the Securities Depository of any Person to receive payment in the event of a partial redemption of the Bonds; or (5) any consent given or other action taken by the Securities Depository as Bondholder.

SECTION 2.02. Authorization and Description of Series 1990 Bonds. A Series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate principal amount not to exceed \$13,215,000 for the principal purposes of acquiring and constructing the Initial Project, funding the Reserve Account and paying certain costs of issuance incurred with respect to such Series. Such Series shall be designated as, and shall be distinguished from the Bonds of all other Series by the title "St. Johns County, Florida, Solid Waste Disposal Revenue Bonds, Series 1990."

The Series 1990 Bonds shall be dated as of the first day of the month in which occurs the delivery of the Series 1990 Bonds to the purchaser or purchasers thereof or such other date as may be set forth by Supplemental Resolution of the Issuer; shall be issued as fully registered Bonds; and shall be numbered consecutively from one upward in order of maturity preceded by the letter "R;" shall be in such denominations and shall bear interest at a rate or rates not exceeding the maximum rate permitted by law (calculated on the basis of a 360-day year of twelve 30-day months), payable in such manner and on May 1 and November 1 in each year; shall consist of such amounts of Serial Bonds, Term Bonds, Variable Rate Bonds and Capital Appreciation Bonds, maturing in such amounts and on May 1 or November 1 in such years not exceeding forty (40) years from their date; shall be payable in such place or places; shall have such Paying Agents and Registrars; and shall contain such redemption provisions; all as the Issuer shall hereafter provide by Supplemental Resolution.

The principal of or Redemption Price, if applicable, on the Series 1990 Bonds are payable upon presentation and surrender of the Series 1990 Bonds at the office of the Paying Agent. Interest payable on any Series 1990 Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any Series 1990 Bond is not punctually paid or duly provided for by the Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Bond shall be registered at the close

of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten (10) days preceding such special record date. All payments of principal of or Redemption Price, if applicable, and interest on the Series 1990 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Series 1990 Bonds are issuable only as fully registered bonds and, except as hereinafter provided, in printed or typewritten form, registered in the name of Cede & Co., as nominee of the initial Securities Depository, The Depository Trust Company ("DTC"), which shall be considered to be the registered Holder for all purposes of this Resolution, including, without limitation, payment by the Issuer of principal of, premium, if any, and interest on the Series 1990 Bonds, and receipt of notices and exercise of rights of Holders. There shall be a single Series 1990 Bond for each maturity and type of Series 1990 Bond which shall be immobilized in the custody of DTC with the Beneficial Owners having no right to receive the Series 1990 Bonds in the form of physical securities or certificates. Ownership of beneficial interests in the Series 1990 Bonds shall be shown by book entry on the system maintained and operated by DTC and its participants, and transfers of ownership of beneficial interests shall be made only by DTC and its participants, by book entry, the Issuer having no responsibility therefor. DTC is expected to maintain records of the positions of participants in the Series 1990 Bonds, and the participants and Persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the Series 1990 Bonds. The Series 1990 Bonds as such shall not be transferable or exchangeable, except for transfer to another Securities Depository or to another nominee of a Securities Depository, without further action by the Issuer. Conveyance of notices and other communications by the Securities Depository to participants, by participants to indirect participants, and by participants and indirect participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

If any Securities Depository determines not to continue to act as a Securities Depository for the Series 1990 Bonds for use in a Book Entry System, the Issuer may attempt to have established a Book Entry System relationship with another qualified Securities Depository under this Resolution. If the Issuer does not or is unable to do so, the Issuer and the Registrar, after the Registrar has made provision for notification of the Beneficial Owners by the then Securities Depository, shall permit withdrawal of the Series 1990 Bonds from the Securities Depository, and authenticate and deliver Series 1990 Bond certificates in fully

registered form (in authorized denominations) to the assigns of the Securities Depository or its nominee.

SECTION 2.03. Application of Series 1990 Bond Proceeds. Except as otherwise provided by Supplemental Resolution, the proceeds derived from the sale of the Series 1990 Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Series 1990 Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

(A) Accrued and capitalized interest shall be deposited in the Interest Account.

(B) An amount shall be deposited in the Reserve Account which, together with any moneys and securities on deposit therein and any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit obtained in accordance with Section 4.06(B)(4) hereof, shall equal the Reserve Account Requirement.

(C) The Issuer covenants and agrees to establish a separate account with an Authorized Depository to be known as the "St. Johns County Solid Waste Disposal Revenue Bonds Costs of Issuance Account," which shall be used only for payment of the costs and expenses described in this subsection. A sum sufficient to pay all costs and expenses in connection with the preparation, issuance and sale of the Series 1990 Bonds, including fees of financial advisors, engineering and other consulting fees, legal fees, bond insurance premiums, printing fees, rating agency fees and all other similar costs shall be deposited to the credit of the Costs of Issuance Account, and all such costs and expenses shall be promptly paid by the Issuer to the persons respectively entitled to receive the same. When all moneys on deposit to the credit of the Costs of Issuance Account shall have been disbursed by the Issuer for the payment of such costs and expenses, the Costs of Issuance Account shall be closed; provided, however, that if any balance shall remain in the Costs of Issuance Account six months after issuance of the Series 1990 Bonds, such moneys shall be transferred by the Issuer to the Construction Fund and the Costs of Issuance Account shall be closed. After the Costs of Issuance Account shall be closed, the Issuer may pay from the Construction Fund any unpaid issuance expenses.

(D) The balance of the Series 1990 Bond proceeds shall be deposited in the Construction Fund.

Concurrently with the issuance and delivery of the Series 1990 Bonds, net revenues derived by the Issuer from the operation of the System prior to the issuance of the Series 1990 Bonds, as represented by the accumulated cash reserves in the Issuer's Solid Waste Fund, shall be deposited by the Issuer to the credit of the Rate Stabilization Fund.

SECTION 2.04. Execution of Bonds. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Chairman and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.05. Authentication. No Bond of any Series shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.10 hereof.

SECTION 2.06. Temporary Bonds. Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 2.04, and deliver, upon authentication by the Registrar pursuant to Section 2.05 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by resolution of the Governing Body, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds

shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

SECTION 2.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be cancelled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.07 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder and shall be entitled to the same benefits and security as the Bond so lost, stolen or destroyed.

SECTION 2.08. Interchangeability, Negotiability and Transfer. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, shall forthwith (a) following the fifteenth day of the calendar month next preceding an interest payment date for such Series, (b) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds of such Series, and (c) at any other time as reasonably requested by the Paying Agent of such Series, certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds by the Chairman and the Clerk for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or transfers shall be cancelled by the Registrar. For every such exchange or transfer

of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of any Bonds which shall have been selected for redemption or of Bonds of any Series during the fifteen (15) days next preceding an Interest Date on the Bonds of such Series (other than Capital Appreciation Bonds and Variable Rate Bonds), or, in the case of any proposed redemption of Bonds, during the fifteen (15) days next preceding the date of selection of Bonds to be redeemed.

SECTION 2.09. Coupon Bonds. The Issuer, at its discretion, may by Supplemental Resolution authorize the issuance of Coupon Bonds, registrable as to principal only or as to both principal and interest. Such Supplemental Resolution shall provide for the negotiability, transfer, interchangeability, denominations and form of such Bonds and coupons appertaining thereto. Coupon Bonds (other than Taxable Bonds) shall only be issued if an opinion of Bond Counsel is received to the effect that issuance of such Coupon Bonds will not adversely affect the exclusion of the interest payable on such Bonds from gross income for federal income tax purposes.

SECTION 2.10. Form of Bonds. Except as otherwise provided pursuant to Section 2.09 hereof and except for Capital Appreciation Bonds and Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution, the Bonds shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be evidenced conclusively by the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

gf04c103

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF ST. JOHNS
SOLID WASTE DISPOSAL REVENUE BOND, SERIES 1990

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
_____ %	_____, _____	_____, _____	_____

Registered Holder:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that St. Johns County, a political subdivision created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the sources of payment hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, the Principal Amount identified above on the Maturity Date identified above and interest (calculated on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above on May 1 and November 1 of each year commencing _____, until such Principal Amount shall have been paid or provided for, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount and interest and the premium, if any, on this bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount and the premium, if any, on this bond, are payable, upon presentation and surrender hereof, at the principal office of _____, as paying agent, or such other paying agent as the Issuer shall hereafter duly appoint (the "Paying Agent"). Payment of each installment of interest shall be made to the person in whose name this bond shall be registered on the registration books of the Issuer maintained by _____, as registrar, or such other registrar as the Issuer shall hereafter duly appoint (the "Registrar"), at the close of business on the date which shall be the fifteenth

day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of the Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the option of the Paying Agent, and at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder. In the event interest payable on this bond is not punctually paid or duly provided for by the Issuer on such interest payment date, payment of each installment of such defaulted interest shall be made to the person in whose name this bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Registered Holder, not less than ten (10) days preceding such special record date.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH IN THIS PLACE.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Registrar.

IN WITNESS WHEREOF, St. Johns County, Florida, has issued this bond and has caused the same to be executed by the manual or facsimile signature of its Chairman and attested and countersigned by the manual or facsimile signature of its Clerk and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the ____ day of _____, 19__.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By _____
Chairman

ATTESTED AND COUNTERSIGNED:

Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

Registrar

By: _____
Authorized Officer

(Provisions on Reverse Side of Bond)

This bond is one of an authorized issue of bonds of the Issuer in the aggregate principal amount of \$_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to finance _____, in and for the Issuer, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, as amended, St. Johns County Ordinance No. 88-49, and other applicable provisions of law (the "Act"), and a resolution duly adopted by the Board of County Commissioners of the Issuer on _____, 19__ (the "Resolution"), and is subject to all the terms and conditions of the Resolution.

The principal of and interest on this bond are payable solely from and secured by a prior lien upon and a pledge of (1) the Gross Revenues (as defined in the Resolution) of the Initial Project (as defined in the Resolution) and of such additional solid waste disposal facilities of the Issuer as may hereafter become, in the manner provided in the Resolution, a part of the Issuer's solid waste disposal system which shall be originated with the Initial Project (the "System"), less such facilities of the System as the Issuer may hereafter close in the manner provided in the Resolution (which Gross Revenues shall include the Assessments (as defined in the Resolution) but only to the extent and in the manner that such Assessments are pledged to the payment of the Bonds pursuant to the Resolution), after paying first therefrom the Operating Expenses (as defined in the Resolution) of the System which Operating Expenses shall include all expenses the Issuer shall incur in levying, collecting and administering the Gross Revenues (the "Net Revenues"), and (2) until applied in accordance with the provisions of the Resolution, the proceeds of the Bonds and all moneys, including investments thereof, in certain of the funds and accounts established pursuant to the Resolution,

all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"); provided, however, that this provision shall not create any lien upon or pledge of the Assessments other than in the manner and to the extent such Assessments are pledged under the Resolution. The Issuer shall have the right, in its sole discretion, to levy Assessments from time to time and, once levied, discontinue such levy or cause the amounts of the Assessments to be increased or decreased and no provision hereof nor any provision of the Resolution shall be construed to obligate the Issuer to levy or, once levied, to continue to levy Assessments.

It is expressly agreed by the Registered Holder of this bond that the full faith and credit of the Issuer, is not pledged to the payment of the principal of or premium, if any, or interest on this bond and that the Registered Holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer to the payment of such principal, premium, if any, and interest. This bond and the obligation evidenced hereby shall not constitute a lien upon any property of the Issuer, except the Pledged Funds, and shall be payable solely from the Pledged Funds in accordance with the terms of the Resolution.

In and by the Resolution, the Issuer has covenanted and agreed to fix, establish, maintain and collect fees and charges for the use of the services and facilities of the System, and revise the same effective at the beginning of each fiscal year, to the extent necessary, which, together with the pledged Assessments, will always provide in each fiscal year Net Revenues which at least equal 110% of the debt service requirement for the next succeeding bond year and 100% of any amounts required by the Resolution to be applied to the renewal and replacement fund and to the debt service reserve in such fiscal year and which, together with the sum on deposit at the beginning of such fiscal year in the Rate Stabilization Fund established by the Resolution, at least equal 125% of the debt service requirement for the next succeeding bond year and 100% of any amounts required by the Resolution to be applied to the renewal and replacement fund and to the debt service reserve in such fiscal year.

In and by the Resolution, the Issuer has further covenanted and agreed that during such times as the Assessments are pledged to the payment of the Bonds pursuant to the Resolution the Issuer shall collect the Assessments, in the manner provided by law, so that the Assessments, together with such fees and charges, will always provide in each fiscal year Net Revenues which at least equal 110% of the debt service requirement for the next succeeding bond year and 100% of any amounts required by the Resolution to be applied to the renewal and replacement fund and to the debt service reserve in such fiscal year and which, together with the sum on deposit at the beginning of such fiscal year in the Rate Stabilization Fund established by the Resolution, at

least equal 125% of the debt service requirement for the next succeeding bond year and 100% of any amounts required by the Resolution to be applied to the renewal and replacement fund and to the debt service reserve in such fiscal year.

Neither the members of the Board of County Commissioners of the Issuer nor any person executing this bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

(INSERT REDEMPTION PROVISIONS)

Notice of redemption, unless waived, is to be given by the Registrar by mailing an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered holders of the Bonds to be redeemed at such holders' addresses shown on the registration books maintained by the Registrar or at such other addresses as shall be furnished in writing by such registered holders to the Registrar; provided, however, that no defect in any such notice to any registered holder of Bonds to be redeemed nor failure to give such notice to any such registered holder nor failure of any such registered holder to receive such notice shall in any manner defeat the effectiveness of a call for redemption as to all other registered holders of Bonds to be redeemed. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

This bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, prescribed in the Resolution. Each of the Bonds is issuable in fully registered form in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds having the same maturity. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this bond as the absolute owner hereof for all purposes, whether or not this bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated: (i) to make any exchange or transfer of Bonds during the fifteen (15) days next preceding an interest payment

date or, in the case of any proposed redemption of Bonds, during the fifteen (15) days next preceding the date of selection of Bonds to be redeemed; or (ii) after the selection of Bonds for redemption, to make any exchange or transfer of Bonds so selected.

[The Bonds are issuable only as fully registered bonds and, except as hereinafter provided, in printed or typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as the initial securities depository for the Bonds, which shall be considered to be the registered holder for all purposes of the Resolution, including, without limitation, payment by the Issuer of principal of, premium, if any, and interest on the Bonds, and receipt of notices and exercise of rights of holders. There shall be a single Bond which shall be immobilized in the custody of DTC with the beneficial owners having no right to receive the Bonds in the form of physical securities or certificates. Ownership of beneficial interests in the Bonds shall be shown by book entry on the system maintained and operated by DTC and its participants, and transfers of ownership of beneficial interests shall be made only by DTC and its participants, by book entry, the Issuer having no responsibility therefor. DTC is expected to maintain records of the positions of participants in the Bonds, and the participants and persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the Bonds. The Bonds as such shall not be transferable or exchangeable, except for transfer to another securities depository or to another nominee of a securities depository, without further action by the Issuer.

If any securities depository determines not to continue to act as a securities depository for the Bonds for use in a book entry system, the Issuer may attempt to have established a securities depository/book entry system relationship with another qualified securities depository under the Resolution. If the Issuer does not or is unable to do so, the Issuer and the Registrar, after the Registrar has made provision for notification of the beneficial owners by the then securities depository, shall permit withdrawal of the Bonds from the securities depository, and authenticate and deliver Bond certificates in fully registered form (in denominations of \$5,000 or any integral multiple thereof) to the assigns of the securities depository or its nominee.]

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond, exist, have happened and have been performed, in regular and due form and time as required by the Constitution and laws of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

LEGAL OPINION

[Insert appropriate approving opinion of bond counsel.]

The above is a true copy of the opinion rendered by Foley & Lardner, Jacksonville, Florida, in connection with the issuance of, and dated as of the original delivery of, the Bonds of the issue of which this bond is one. An executed copy of that opinion is on file in my office.

Clerk

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of
survivorship and not as tenants
in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfer to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

Insert Social Security or Other
Identifying Number of Assignee

(Name and Address of Assignee)

the within bond and does hereby irrevocably constitute and appoint _____, as attorneys to register the transfer of the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. Privilege of Redemption. The terms of this Article III shall apply to redemption of Bonds other than Capital Appreciation Bonds or Variable Rate Bonds. The terms and provisions relating to redemption of Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Resolution.

SECTION 3.02. Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least sixty (60) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 3.03. Notice of Redemption. Notice of any redemption of Bonds other than mandatory redemption from the Bond Amortization Account, and excepting any notice that refers to Bonds that are the subject of an advance refunding, shall be circulated only if sufficient funds shall have been deposited with the Paying Agent or an escrowee or trustee to pay the redemption price of the Bonds to be redeemed. Unless waived by any Holder of Bonds to be redeemed, notice of any redemption made pursuant to this section shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to this section to any Holder of Bonds to be redeemed nor failure to give such

notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state:

- (1) the redemption date,
- (2) the Redemption Price,
- (3) if less than all outstanding Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed,
- (4) that on the redemption date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (5) that such Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price plus accrued interest at the office of the Paying Agent.

Prior to any redemption date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of and accrued interest on all the Bonds or portions of Bonds which are to be redeemed on that date.

In addition to the foregoing notice, further notice shall be given by the Issuer as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to any Insurer which shall have insured, or any Credit Bank which shall have provided a Credit Facility for, any of the Bonds being redeemed and to all registered securities depositories then in the business of holding substantial amounts of obligations of

types similar to the type of which the Bonds consist (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each such further notice shall be published one time in the Bond Buyer of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the Holders of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

SECTION 3.04. Redemption of Portions of Bonds. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05. Payment of Redeemed Bonds. Official notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. Each check or other transfer of funds issued by the Registrar and/or Paying Agent for the purpose of the payment of the Redemption Price of Bonds being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be cancelled by the Registrar and shall not be reissued.

ARTICLE IV

SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01. Bonds not to be Indebtedness of Issuer.

The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds in accordance with the terms of this Resolution. The Issuer may cause any Series of Bonds to be payable from and secured by a Credit Facility or an insurance policy of an Insurer not applicable to any one or more other Series of Bonds. No Holder of any Bond or any Credit Bank or any Insurer shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer to pay such Bond or be entitled to payment of such Bond from any moneys of the Issuer except the Pledged Funds, in the manner provided herein.

The Pledged Funds shall be subject to the lien of this pledge immediately upon the issuance and delivery of the Series 1990 Bonds, without any physical delivery by the Issuer of the Pledged Funds or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind against the Issuer, in tort, contract or otherwise.

SECTION 4.02. Security for Bonds. The payment of the principal of or Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds; provided, however, a Series of Bonds may be further secured by a Credit Facility or any insurance policy of an Insurer not applicable to any one or more other Series of Bonds, as shall be provided by Supplemental Resolution, in addition to the security provided herein. The Issuer does hereby irrevocably pledge the Pledged Funds in the manner provided in this Resolution to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds.

SECTION 4.03. Levy and Pledge of Assessments. The Issuer shall have the right, in its sole discretion, to levy Assessments from time to time and, once levied, discontinue such levy or cause the amounts of the Assessments to be increased or decreased. During such times as the Assessments are levied and collected by the Issuer the Assessments are hereby pledged to the payment of the principal of and premium, if any, and interest on the Bonds. Provided, however, anything herein to the contrary notwithstanding, no provision hereof shall be construed to obligate the Issuer to levy or, once levied, to continue to levy Assessments; but at any

time and while Assessments shall be levied and collected by the Issuer, the same shall be pledged hereunder to the extent provided herein.

SECTION 4.04. Construction Fund. The Issuer covenants and agrees to establish a separate fund with an Authorized Depository to be known as the "St. Johns County Solid Waste Disposal System Construction Fund," which shall be used only for payment of the Cost of the Project. Moneys in the Construction Fund, until applied in payment of any item of the Cost of a Project in the manner hereinafter provided, shall be held in trust by the Issuer and shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution or Supplemental Resolution, and there may be paid into the Construction Fund, at the option of the Issuer, any moneys received for or in connection with a Project by the Issuer from any other source.

The Issuer shall establish within the Construction Fund a separate account for the Initial Project and each Additional Project, the Cost of which is to be paid in whole or in part out of the Construction Fund.

The proceeds of insurance maintained pursuant to this Resolution against physical loss of or damage to a Project, or of contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the appropriate account of the Construction Fund.

The Issuer covenants that the acquisition and construction of each Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the Construction Fund to pay the Cost of a Project upon the filing with the Clerk of documents and/or certificates signed by an Authorized Issuer Officer stating with respect to each disbursement or payment to be made: (1) the item number of the payment, (2) the name and address of the Person to whom payment is due, (3) the amount to be paid, (4) the Construction Fund account from which payment is to be made, (5) the purpose, by general classification, for which payment is to be made, and (6) that (A) each obligation, item of cost or expense mentioned therein has been properly incurred, is in payment of a part of the Cost of a Project and is a proper charge against the account of the Construction Fund from which payment is to be made and has not been the basis of any previous disbursement or payment, or (B) each obligation, item of cost or expense mentioned therein has been paid by the Issuer, is a reimbursement of a part of the Cost of a Project, is a proper charge against the account of the Construction Fund from which payment is to be made, has

not been theretofore reimbursed to the Issuer or otherwise been the basis of any previous disbursement or payment and the Issuer is entitled to reimbursement thereof. The Clerk shall retain all such documents and/or certificates of the Authorized Issuer Officers for seven (7) years from the dates of such documents and/or certificates. The Clerk shall make available the documents and/or certificates at all reasonable times for inspection by any Holder of any of the Bonds or the agent or representative of any Holder of any of the Bonds.

The date of completion of a Project shall be determined by the Authorized Issuer Officer who shall certify such fact in writing to the Governing Body. Promptly after the date of the completion of a Project, and after paying or making provisions for the payment of all unpaid items of the Cost of such Project, the Issuer shall deposit in the following order of priority any balance of moneys remaining in the Construction Fund in (1) another account of the Construction Fund for which the Authorized Issuer Officer has stated that there are insufficient moneys present to pay the Cost of the related Project, (2) the Reserve Account, to the extent of a deficiency therein, (3) the Debt Service Fund, and (4) such other fund or account of the Issuer, including those established hereunder, as shall be determined by the Governing Body, provided the Issuer has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds from gross income for federal income tax purposes.

SECTION 4.05. Funds and Accounts. The Issuer covenants and agrees to establish with one or more Authorized Depositories separate funds to be known as the "St. Johns County Solid Waste Disposal System Revenue Fund," the "St. Johns County Solid Waste Disposal System Operation and Maintenance Fund," the "St. Johns County Solid Waste Disposal Revenue Bonds Debt Service Fund," the "St. Johns County Solid Waste Disposal System Renewal and Replacement Fund," the "St. Johns County Solid Waste Disposal System Landfill Closure Fund," the "St. Johns County Solid Waste Disposal System Rate Stabilization Fund" and the "St. Johns County Solid Waste Disposal Revenue Bonds Rebate Fund." The Issuer shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account," and the "Reserve Account." Moneys in the Debt Service Fund, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

The Issuer shall at any time and from time to time appoint one or more Authorized Depositories to hold, for the benefit of the Issuer and/or the Bondholders, any one or more of the funds and accounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and

from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees.

SECTION 4.06. Flow of Funds.

(A) Revenue Fund. The Issuer shall deposit all Gross Revenues into the Revenue Fund, promptly upon the receipt thereof. On or before the last day of each month, commencing with the month in which delivery of the Bonds shall be made to the purchasers thereof, the moneys in the Revenue Fund shall be deposited or credited in the following manner and in the following order of priority:

(1) Operation and Maintenance Fund. The Issuer shall deposit into or credit to the Operation and Maintenance Fund such sum as shall be necessary to cause the moneys in the Operation and Maintenance Fund to be sufficient to pay the lesser of (i) Operating Expenses for the next succeeding month according to the Annual Budget, or (ii) if the Issuer shall have elected to levy Assessments in the manner provided in Section 4.03 hereof, together with the moneys on deposit in the Rate Stabilization Fund, Operating Expenses until the next succeeding November 1; provided, however, that subject always to the provisions of Section 5.06 hereof, the Issuer shall transfer moneys from the Revenue Fund to the Operation and Maintenance Fund at any time to pay Operating Expenses to the extent there shall be a deficiency in the moneys in the Operation and Maintenance Fund and the Rate Stabilization Fund for such purpose. Moneys in the Operation and Maintenance Fund shall be paid out from time to time by the Issuer to pay reasonable and necessary Operating Expenses as and when the same shall be incurred.

(2) Debt Service Fund. Next, the Issuer shall deposit into or credit to the Debt Service Fund such sums as shall be required for all of the deposits, transfers and payments described in Section 4.06(C) hereof.

(3) Renewal and Replacement Fund. Next, whenever the balance on deposit in the Renewal and Replacement Fund shall be less than the Renewal and Replacement Fund Requirement, and there shall be on deposit in the Operation and Maintenance Fund and the Rate Stabilization Fund moneys sufficient to pay Operating Expenses until the next succeeding November 1, the Issuer shall deposit into or credit to the Renewal and Replacement Fund the balance of all moneys remaining in the Revenue Fund to the extent necessary to cause the moneys in the Renewal and Replacement Fund to equal the Renewal and Replacement Fund Requirement. If at anytime the balance on deposit in the Renewal and Replacement Fund shall exceed the Renewal and Replacement Fund Requirement, such excess shall be withdrawn by the Issuer from the Renewal and Replacement Fund

and deposited into the Revenue Fund. The moneys in the Renewal and Replacement Fund shall be applied by the Issuer to the payment of the cost of extensions, improvements and additions to, or renewals and replacements of the capital assets of, the System, or extraordinary repairs of the System; provided, however, that whenever moneys in the Debt Service Fund shall be insufficient to pay all or any part of the principal of, Redemption Price or interest on any of the Bonds, moneys in the Renewal and Replacement Fund shall first be used to supplement the Debt Service Fund to the extent necessary to prevent a default on the Bonds.

(4) Closure Fund. Next, the Issuer shall deposit into or credit to the Closure Fund (from moneys available in the Revenue Fund or, to the extent of any deficiency of Revenue Fund moneys, from any other legally available funds of the Issuer derived either from sources other than ad valorem taxation or from budgeted ad valorem revenues in any current Fiscal Year) a sum equal to the aggregate fees or surcharges on fees or other revenues imposed, levied or collected by the Issuer in compliance with Section 403.7125(3), Florida Statutes, as amended, to ensure the availability of financial resources for the proper closure of the landfills of the System, unless the Issuer shall not be required to establish any such fee, surcharge or other appropriate revenue-producing mechanism by reason of having established proof of financial responsibility in the manner permitted by Section 403.7125(4), Florida Statutes, as amended, which shall have been collected and received by the Issuer or which shall have accrued, if accrual shall be the basis of such mechanism, and which shall not have been previously deposited into or credited to the Closure Fund. Moneys in the Closure Fund shall be paid out from time to time by the Issuer only for the purpose of landfill closure, for planning and construction of resource recovery or landfill facilities if such planning and construction expenditures do not deplete the Closure Fund to the detriment of landfill closure, or for such other purpose or purposes authorized or required by Florida law for the application of such Section 403.7125(3) escrow account moneys. No moneys in the Closure Fund may be applied by the Issuer to the payment of any part of the principal of, Redemption Price or interest on the Bonds or Subordinated Indebtedness, except at the option of the Issuer only, if such payment shall be permitted by Florida law controlling the application of such Section 403.7125(3) escrow account moneys. Any moneys remaining on deposit to the Credit of the Closure Fund after closure of all landfill facilities of the System shall be disposed of in the manner provided by Florida law for the disposition of surplus Section 403.7125(3) escrow account moneys; and the Issuer covenants and agrees that if such law permits, any Closure Fund surplus shall be deposited into or credited to the Revenue Fund. If such law shall require that the Issuer deposit any such surplus to the Issuer's general fund, the Issuer will transfer from its general

fund to the Revenue Fund a sum equal to the amount of such surplus promptly upon depositing such surplus to its general fund.

(5) Subordinated Indebtedness. Next, the Issuer shall apply available moneys in the Revenue Fund to the payment of the debt service for any Subordinated Indebtedness.

(6) Rebate Fund. Next, the Issuer may, at its option, deposit into or credit to the Rebate Fund the amount described in Section 4.07(1) hereof.

(7) Excess Revenues. Finally, the Issuer shall withdraw the balance of all moneys remaining on deposit to the credit of the Revenue Fund and deposit the same to the credit of the Rate Stabilization Fund.

(B) Rate Stabilization Fund. Moneys in the Rate Stabilization Fund shall be applied monthly by the Issuer, to the extent necessary, to pay Operating Expenses whenever the moneys in the Operation and Maintenance Fund shall be insufficient for such purpose. Whenever no Event of Default shall have occurred and be continuing under this Resolution, and after setting aside in the Rate Stabilization Fund a sum which, together with the moneys on deposit in the Operation and Maintenance Fund, shall be sufficient to pay Operating Expenses until the next succeeding November 1 according to the Annual Budget, the balance of any moneys remaining in the Rate Stabilization Fund may be applied by the Issuer to pay all or part of the cost of any Project or to the redemption of Bonds. The Issuer shall have the right, but may never be compelled by any Holder, to apply any moneys in the Rate Stabilization Fund, at any time, to the payment of all or any part of principal of, Redemption Price or interest on the Bonds or any Subordinated Indebtedness. The Issuer shall have the right also to withdraw from the Rate Stabilization Fund at any time, or from time to time, any sum or sums equal to all or any part of the aggregate amount of money which shall have been collected and received by the Issuer from fees or surcharges on fees or other revenues imposed, levied or collected by the Issuer in compliance with Section 403.7125(3), Florida Statutes, as amended, for deposit to the Closure Fund, but which shall have been otherwise applied pursuant to the provisions of this Instrument, equivalent sums having been deposited to the Closure Fund from other legally available funds of the Issuer derived either from sources other than ad valorem taxation or from budgeted ad valorem revenues in any current fiscal year, and expend the same for any lawful county purpose.

(C) Debt Service. The moneys on deposit in the Debt Service Fund shall be applied by the Issuer in the manner provided herein solely for the payment of the principal of or Redemption

Price, if applicable, and interest on the Bonds and for the purchase of, and reinstatement of the maximum limits of, any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, and shall not be available for any other purpose. The moneys transferred from the Revenue Fund to the Debt Service Fund shall be deposited or credited in the following manner and in the following order of priority:

(1) Interest Account. To the extent of moneys available in the Revenue Fund, the Issuer shall deposit into or credit to the Interest Account the sum which, together with the balance in said account, shall equal the interest on all Outstanding Bonds accrued and unpaid and to accrue through the end of the then current Bond Year. Moneys in the Interest Account shall be applied by the Issuer to pay interest on the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date.

(2) Principal Account. Next, to the extent of moneys available in the Revenue Fund, the Issuer shall deposit into or credit to the Principal Account the sum which, together with the balance in said account, shall equal (a) the principal amount of all Outstanding Bonds other than Term Bonds due and unpaid and (b) the principal amount of the Bonds other than Term Bonds which shall thereafter mature during the then current Bond Year. Serial Capital Appreciation Bonds (including their respective interest components) shall be payable entirely from moneys in the Principal Account on their respective maturity dates, and deposits or credits to the Principal Account to provide funds for such purpose shall commence in the month which is one year prior to each such maturity date. Moneys in the Principal Account shall be applied by the Issuer to pay the principal of the Bonds other than Term Bonds as and when the same shall mature, and for no other purpose.

(3) Bond Amortization Account. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account. Commencing in the month which is one year prior to the due date of each Amortization Installment, the Issuer shall deposit into or credit to the Bond Amortization Account, to the extent of moneys available in the Revenue Fund, the sum which, together with the balance in said account held for the credit of such Amortization Installment and all Outstanding Term Bonds due and unpaid, shall equal (a) the principal amount of all such Outstanding Term Bonds due and unpaid and (b) such Amortization Installment. Term Capital Appreciation Bonds (including their respective interest components) shall be payable entirely from moneys in the Bond Amortization Account on the respective due dates of the Amortization Installments applicable thereto, and

deposits or credits to the Bond Amortization Account to provide funds for such purpose shall commence in the month which is one year prior to each such Amortization Installment due date. Moneys in the Bond Amortization Account shall be applied by the Issuer to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment may be applied by the Issuer, on or prior to the sixtieth (60th) day preceding the due date of such Amortization Installment (i) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established, at a price not greater than the Redemption Price at which such Term Bonds may be redeemed on the first date thereafter on which such Term Bonds shall be subject to redemption, or (ii) to the redemption at the applicable Redemption Price of such Term Bonds. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Issuer shall pay out of the Bond Amortization Account and the Interest Account to the respective Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Issuer from the Revenue Fund.

(4) Reserve Account. Next, the Issuer shall deposit into or credit to the Reserve Account such sum, if any, as will be necessary to immediately restore the funds on deposit therein to an amount equal to the Reserve Account Requirement including the reinstatement of any Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit therein or the cash replacement thereof. On or prior to each principal and interest payment date for the Bonds, moneys in the Reserve Account shall be applied by the Issuer to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and

the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of the deposit therein of a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit, such surplus moneys shall be deposited by the Issuer into the Interest Account, or such other appropriate fund or account of the Issuer, provided such deposit to such other fund or account shall not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Simultaneously with the issuance of any Series of Bonds, under the terms, limitations and conditions as herein provided, the Reserve Account shall be funded in an amount equal to the Reserve Account Requirement.

Whenever moneys on deposit in the Reserve Account, together with the other available amounts in the Debt Service Fund, are sufficient to fully pay all Outstanding Bonds (including principal and interest thereon) in accordance with their terms, the funds on deposit in the Reserve Account shall be applied to the payment of Bonds.

Notwithstanding the foregoing provisions, in lieu of the required deposits into the Reserve Account, the Issuer may, at its sole option and discretion, cause to be deposited in the Reserve Account at any time a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums, if any, remaining on deposit in the Reserve Account, after the deposit of such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit. Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent for such Series (upon the giving of notice as required thereunder) on any interest payment or redemption date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose. The issuer providing such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be either (a) an insurer (i) whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in one of the two highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories) by either Standard & Poor's Corporation or Moody's Investors Service, or (ii) who holds one of the two highest policyholder ratings accorded insurers by A. M. Best & Company, or any comparable service, or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which have, or whose obligation to pay is guaranteed by a commercial bank, insurance company or other financial institution which has, been assigned a rating by either Moody's Investors Service or

Standard & Poor's Corporation in one of the two highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories).

If fifteen (15) days prior to an interest payment or mandatory redemption date, the Issuer shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on Bonds on such date, the Issuer shall immediately notify (a) the issuer of the applicable Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit, and (b) the Insurer, if any, of the amount of such deficiency and the date on which such payment is due, and shall take all action to cause such issuer or Insurer to provide moneys which, together with the sums then on deposit in the Reserve Account, are sufficient to pay all amounts due on such interest payment or redemption date.

If a disbursement is made from a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit provided pursuant to this Section 4.06(C)(4), the Issuer shall reinstate the maximum limits of such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit immediately following such disbursement as soon as moneys are available in the Reserve Account in accordance with the provisions of the first paragraph of this Section 4.06(C)(4), by depositing funds in the amount of the disbursement made under such instrument, with the issuer thereof, together with interest thereon to the date of reimbursement at the rate set forth in such Reserve Account Insurance Policy or such Reserve Account Letter of Credit, but in no case greater than the maximum rate of interest permitted by law. In addition, and in the same manner, the Issuer shall reimburse the issuer of the Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit for all reasonable expenses incurred by such issuer in connection with the draw on such Reserve Account Insurance Policy or the Reserve Account Letter of Credit, as the case may be.

The Issuer may evidence its obligation to reimburse the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy by executing and delivering to such issuer a promissary note therefor, provided, however, any such note (a) shall not be a general obligation of the Issuer the payment of which is secured by the full faith and credit or taxing power of the Issuer, and (b) shall be payable solely from moneys available in the Reserve Account in accordance with the provisions of the first paragraph of this Section 4.06(C)(4).

To the extent the Issuer causes to be deposited into the Reserve Account, a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit for a term of years shorter than the life of the Series of Bonds so insured or secured, then the Reserve Account Insurance Policy and/or the Reserve Account

Letter of Credit shall provide, among other things, that the issuer thereof shall provide the Issuer with notice as of each anniversary of the date of the issuance of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit of the intention of the issuer thereof to either (a) extend the term of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit beyond the expiration dates thereof, or (b) terminate the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit on the initial expiration dates thereof or such other future date as the issuer thereof shall have established. If the issuer of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit notifies the Issuer pursuant to clause (b) of the immediately preceding sentence or if the Issuer terminates the Reserve Account Letter of Credit and/or Reserve Account Insurance Policy, then the Issuer shall deposit into the Reserve Account pursuant to the first sentence of this Section 4.06(C)(4), during the first full calendar month following the date on which such notice of intent to terminate is received by the Issuer and in each succeeding month, such sums as shall be sufficient to pay each month an amount equal to a fraction, the numerator of which is one (1) and the denominator of which is equal to the number of months remaining in the term of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit, of the portion of the Reserve Account Requirement covered by the Reserve Account Letter of Credit and/or the Reserve Account Insurance Policy on the date such notice was received, until the sum on deposit in the Reserve Account, and no later than the expiration of such Reserve Account Insurance Policy and/or such Reserve Account Letter of Credit, shall be equal to the Reserve Account Requirement.

If any Reserve Account Letter of Credit or Reserve Account Insurance Policy shall terminate prior to the stated expiration date thereof, the Issuer agrees that it shall fund the Reserve Account pursuant to the first sentence of this Section 4.06(C)(4), during a period not to exceed sixty (60) months when it shall make consecutive equal monthly payments in order that the amount on deposit in such account at the end of such period shall be equal to the Reserve Account Requirement; provided, the Issuer may at its sole option and discretion, with the prior written consent of the Insurer, if any, obtain a new Reserve Account Letter of Credit or a new Reserve Account Insurance Policy in lieu of making the payments required by this paragraph.

Anything herein to the contrary notwithstanding, any Reserve Account Insurance Policy or Reserve Account Letter of Credit provided in lieu of a cash deposit into the Reserve Account shall conform to the requirements set forth in Exhibit E to the Insurer's Commitment attached as Exhibit A hereto.

(D) The Issuer, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the Issuer's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(E) At least one (1) business day prior to the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the Issuer shall withdraw from the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

(F) In the case of Bonds secured by a Credit Facility, amounts on deposit in any funds or accounts established for such Bonds may be applied as provided in the applicable Supplemental Resolution to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of or Redemption Price, if applicable, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the Holders thereof for payment.

SECTION 4.07. Rebate Fund. Amounts on deposit in the Rebate Fund shall be held in trust by the Issuer and used solely to make required rebates to the United States Treasury (except to the extent the same may be transferred to the Revenue Fund) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. The Issuer agrees to undertake all actions required of it in its arbitrage certificate, dated the date of issuance of the Bonds, relating to the Bonds, including, but not limited to:

(1) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;

(2) depositing from moneys in the Revenue Fund or from other moneys of the Issuer derived from sources other than ad valorem taxation and legally available for such purpose the amount determined in clause (1) above into the Rebate Fund;

(3) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the Issuer derived from sources other than ad valorem taxation such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(4) keeping such records of the determinations made pursuant to this Section 4.07 as shall be required by the Code,

as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds of the Series of which such accounts were created.

The provisions of the above-described arbitrage certificate may be amended from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

Public Financial Management, Inc., Philadelphia, Pennsylvania, is hereby appointed to serve as rebate administrator hereunder with respect to every Series of the Bonds until the Issuer shall by resolution appoint as successor rebate administrator any Bond Counsel, certified public accountant, bank or trust company, or other agent of the Issuer who shall be qualified to assure compliance by the Issuer with the requirements of this section. The rebate administrator is hereby authorized to hire counsel, accountants, and other experts which the rebate administrator may, in its sole discretion, determine advisable for the purpose of obtaining the required calculations of the rebate amounts and determinations as to the due dates for the rebate thereof and other matters necessary for compliance with Section 148(f) of the Code as the same relates to the Bonds. The rebate administrator will not be liable for any loss occasioned by its reliance upon the instructions of such experts or upon the Issuer's certification of the amounts earned on nonpurpose investments, as such term is defined in Section 148(b)(2) of the Code, in which gross proceeds of the Bonds shall be invested. The duties and responsibilities of the rebate administrator may be performed by more than one Person.

SECTION 4.08. Investments. The Construction Fund, the Revenue Fund, the Debt Service Fund, the Renewal and Replacement Fund, the Closure Fund and the Rate Stabilization Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Revenue Fund, the Operation and Maintenance Fund, the Rebate Fund, the Renewal and Replacement Fund and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed. Moneys on deposit in the Reserve Account and in the Rate Stabilization Fund may be invested or reinvested in Authorized Investments which shall mature no later than five (5) years from the date of acquisition thereof. Moneys on deposit in the Closure Fund may be invested or reinvested in the manner authorized by applicable law.

Any and all income received by the Issuer from the investment of moneys in the Construction Fund, in the Rebate Fund, in the Interest Account, the Principal Account and the Bond Amortization Account in the Debt Service Fund, in the Revenue

Fund, in the Operation and Maintenance Fund, in the Closure Fund, in the Renewal and Replacement Fund (to the extent the amount therein is less than the Renewal and Replacement Fund Requirement), in the Rate Stabilization Fund (to the extent the amount therein, together with the moneys in the Operation and Maintenance Fund, shall be less than the sum required to pay Operating Expenses until the next succeeding November 1) and in the Reserve Account in the Debt Service Fund (to the extent the amount therein is less than the Reserve Account Requirement) shall be retained in such respective fund or account unless otherwise required by applicable law.

Whenever moneys in the Rate Stabilization Fund, together with the moneys in the Operation and Maintenance Fund, shall be sufficient to pay Operating Expenses until the next succeeding November 1, any and all income received by the Issuer from the investment of moneys in the Rate Stabilization Fund shall be deposited in the Revenue Fund. Whenever moneys in the Renewal and Replacement Fund shall equal or exceed the Renewal and Replacement Fund Requirement, any and all income received by the Issuer from the investment of moneys in the Renewal and Replacement Fund shall be deposited in the Revenue Fund. Whenever moneys on deposit in the Reserve Account in the Debt Service Fund shall equal or exceed the Reserve Account Requirement, any and all income received by the Issuer from the investment of moneys in the Reserve Account shall be deposited in the Revenue Fund.

All investments (except investment agreements) shall be valued as frequently as deemed necessary by the Insurer, but not less often than annually, at the lower of cost or market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date. Nothing contained in this Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.09. Separate Accounts. The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to

require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

ARTICLE V

SUBORDINATED INDEBTEDNESS ADDITIONAL BONDS, AND COVENANTS OF ISSUER

SECTION 5.01. Subordinated Indebtedness. The Issuer will not issue any other obligations, except under the conditions and in the manner provided herein, payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon. The Issuer may at any time or from time to time issue evidences of indebtedness that are not Additional Bonds and that are payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by this Resolution. The Issuer shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.02 hereof.

SECTION 5.02. Issuance of Additional Bonds. No Additional Bonds, payable from the Pledged Funds on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing the Cost of an Additional Project, or the completion thereof or of the Initial Project, or refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the Issuer.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) The Issuer shall certify that it is current in all deposits into the various funds and accounts established hereby and all payments theretofore required to have been deposited or made by it under the provisions of this Resolution and has complied with the covenants and agreements of this Resolution.

(B) There shall have been obtained and filed with the Issuer a certificate of an independent certified public accountant: (1) stating that he has examined the books and records of the Issuer relating to the collection and receipt of Pledged Revenues; (2) stating the amount of Net Revenues for the immediately preceding Fiscal Year or any twelve (12) consecutive months selected by the Issuer of the twenty-four (24) months immediately preceding the issuance of such Additional Bonds and the amount of the sum then on deposit to the credit of the Rate Stabilization Fund; (3) stating that the Net Revenues, adjusted as provided in Section 5.02(E) hereof, equal at least 1.10 times the Maximum Debt Service Requirement for all Outstanding Bonds and such Additional Bonds then proposed to be issued plus 1.00 times the maximum annual subordinated debt service for all Subordinated Indebtedness then outstanding, and that the sum of such adjusted Net Revenues and such amount in the Rate Stabilization Fund equals at least 1.25 times the Maximum Debt Service Requirement for all Outstanding Bonds and such Additional Bonds then proposed to be issued plus 1.00 times the maximum annual subordinated debt service for all Subordinated Indebtedness then outstanding; and (4) stating that no Event of Default was disclosed in the report of the most recent Annual Audit, or if such Event of Default was so disclosed, that it shall have been cured.

(C) In computing Maximum Debt Service Requirement for purposes of this Section 5.02, the interest rate on outstanding Variable Rate Bonds, and on additional parity Variable Rate Bonds then proposed to be issued, shall be deemed to be the Maximum Interest Rate applicable thereto.

(D) For the purposes of this Section 5.02, the phrase "immediately preceding Fiscal Year or any twelve (12) consecutive months selected by the Issuer of the twenty-four (24) months immediately preceding the issuance of such Additional Bonds" shall be sometimes referred to as "twelve consecutive months."

(E) The Net Revenues may be adjusted by the independent certified public accountant, at the option of the Issuer, as follows:

(1) If the Issuer, prior to the issuance of the proposed Additional Bonds but not prior to the beginning of such twelve consecutive months, shall have increased the Rates and/or the Assessments, and/or shall have begun to derive revenues from newly acquired facilities of the System, and/or shall have elected to levy Assessments, the Net Revenues for the twelve consecutive months shall be adjusted to show the Net Revenues which would have been derived in such twelve consecutive months if such increased Rates and/or Assessments had been in effect, and/or such new facilities had produced revenues, and/or the Assessments, had been pledged during all of such twelve consecutive months.

(2) In the event the Issuer shall have completed additions, extensions or improvements to the System prior to the issuance of the proposed Additional Bonds but not prior to the beginning of such twelve consecutive months, such Net Revenues may be adjusted by adding thereto the net revenues estimated by the Consulting Engineers to be derived during the first twelve (12) months of operation of such additions, extensions or improvements.

(3) In the event the Issuer shall be constructing additions, extensions or improvements to the System to be financed wholly or in part from the proceeds of the proposed Additional Bonds or from any other source, such Net Revenues may be adjusted by adding thereto the net revenues estimated by the Consulting Engineers to be derived during the third twelve (12) months of operation of such Project after completion of the construction thereof.

(F) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to this Resolution; provided, however, any Supplemental Resolution authorizing the issuance of Additional Bonds may provide that any of the covenants herein contained will not be applicable to such Additional Bonds, provided that such provision shall not, in the opinion of Bond Counsel, adversely affect the rights of any Bonds which shall then be Outstanding. Except as provided in Sections 4.02 and 4.06 hereof, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other; provided, however, that the Issuer shall include a provision in any Supplemental Resolution authorizing the issuance of Variable Rate Bonds pursuant to this Section 5.02 that in the event the principal thereof is accelerated due to such Bonds being held by the issuer of a Credit Facility, the lien of such Bonds on the Pledged Funds shall be subordinate in all respects to the pledge of the Pledged Funds created by this Resolution.

(G) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of this Section 5.02 shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of principal of and interest on the Outstanding Bonds becoming due in the current Fiscal Year and all subsequent Fiscal Years. The conditions of Section 5.02(B) hereof shall apply to Additional Bonds issued to refund Subordinated

Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

(H) In the event that the total amount of the Bonds herein authorized to be issued are not issued simultaneously, such Bonds which are subsequently issued shall be subject to the conditions of Section 5.02(B) hereof.

(I) In addition to all of the other requirements specified in this Section 5.02, the Issuer must comply with any applicable provisions of any financing documents relating to outstanding Subordinated Indebtedness to the extent such provisions impact on the ability of the Issuer to issue Additional Bonds.

SECTION 5.03. Bond Anticipation Notes. The Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by resolution of the Issuer.

SECTION 5.04. Accession of Subordinated Indebtedness to Parity Status with Bonds. The Issuer may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (A) the Issuer shall meet all the requirements imposed upon the issuance of Additional Bonds by Section 5.02 hereof, assuming, for purposes of said requirements, that such Subordinated Indebtedness shall be Additional Bonds, and (B) the Issuer shall provide for the funding of the Reserve Account, upon such accession, in an amount equal to the increase in the amount of the Reserve Account Requirement occasioned by such accession in accordance with Section 4.06(C)(4) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in this Resolution.

SECTION 5.05. Operation and Maintenance. The Issuer will maintain or cause to be maintained the System and all portions thereof in good condition and will operate or cause to be operated the same in an efficient and economical manner, making or causing to be made such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof. The Issuer will obtain and renew to the full extent required by applicable law all permits for acquisition, construction, operation and closure of the System and all landfills thereof and comply with all of the closure and subsequent monitoring of the landfills of the System.

SECTION 5.06. Annual Budget. The Issuer shall annually prepare and adopt, prior to the beginning of each Fiscal Year, an Annual Budget in accordance with applicable law. No expenditure

for Operating Expenses shall be made in any Fiscal Year in excess of the amount provided therefor in the Annual Budget, (A) without a written finding and recommendation by an Authorized Issuer Officer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures, and (B) until the Governing Body shall have approved such finding and recommendation by resolution.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, other than the first Fiscal Year, the preliminary budget for such Fiscal Year, if it be approved by the Consulting Engineers, shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year shall be adopted; and if the preliminary budget shall not have been approved by the Consulting Engineers, the Annual Budget for the preceding Fiscal Year shall be deemed to continue in effect.

The Issuer may at any time adopt an amended Annual Budget for the then current Fiscal Year, but no such amended Annual Budget shall supersede any prior budget until it shall be approved by the Consulting Engineers as being, in their opinion, reasonable and necessary.

The Issuer shall mail copies of such Annual Budgets and amended Annual Budgets and all resolutions authorizing increased expenditures for Operating Expenses to any Holder who shall file an address with the Clerk and request in writing that copies of all such Annual Budgets and resolutions be furnished to such Holder and shall make available all such Annual Budgets and resolutions authorizing increased expenditures for Operating Expenses at all reasonable times to any Holder or to anyone acting for or on behalf of any Holder. The Issuer shall be permitted to make a reasonable charge for furnishing to any Holder such Annual Budgets and resolutions.

SECTION 5.07. Rates. The Issuer shall fix, establish, maintain and collect such Rates, and revise the same effective at the beginning of each Fiscal Year, in the manner provided in this Section 5.07, to the extent necessary, so that the sum of the Rates and the Assessments, if pledged to the payment of the Bonds pursuant to Section 4.03 hereof (the "Sum"), will always provide in each Fiscal Year Net Revenues (i) which at least equal one hundred ten percent (110%) of the Debt Service Requirement for the next succeeding Bond Year plus one hundred percent (100%) of any amounts required by the terms hereof to be deposited in the Renewal and Replacement Fund and in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year, and (ii) which, together with the sum on deposit in the Rate Stabilization Fund at the

beginning of such Fiscal Year, at least equal one hundred twenty-five percent (125%) of the Debt Service Requirement for the next succeeding Bond Year plus one hundred percent (100%) of any amounts required by the terms hereof to be deposited in the Renewal and Replacement Fund and in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year. Such Rates shall not be so reduced that the Sum will be insufficient to provide Net Revenues in each Fiscal Year fully adequate for the purposes provided therefor by this Resolution.

If the Assessments are pledged to the payment of the Bonds pursuant to Section 4.03 hereof, the Issuer shall collect such Assessments, in the manner provided by law, so that the Sum will always provide in each Fiscal Year Net Revenues (i) which at least equal one hundred ten percent (110%) of the Debt Service Requirement for the next succeeding Bond Year plus one hundred percent (100%) of any amounts required by the terms hereof to be deposited in the Renewal and Replacement Fund and in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year, and (ii) which, together with the sum on deposit in the Rate Stabilization Fund at the beginning of such Fiscal Year, at least equal one hundred twenty-five percent (125%) of the Debt Service Requirement for the next succeeding Bond Year plus one hundred percent (100%) of any amounts required by the terms hereof to be deposited in the Renewal and Replacement Fund and in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year. Such Assessments shall not be so reduced that the Sum will be insufficient to provide Net Revenues in each Fiscal Year fully adequate for the purposes provided therefor by this Resolution. The Assessments shall not be increased beyond the maximum assessment permitted by law.

The Issuer covenants and agrees that prior to the beginning of each Fiscal Year, whenever the Sum which shall be projected by the Annual Budget proposed for such Fiscal Year and/or the moneys on deposit in the Rate Stabilization Fund shall be insufficient for the coverages required by the preceding paragraphs of this section, the Issuer shall increase the Rates by adopting a schedule thereof by resolution or ordinance in the manner provided by applicable Florida law and/or increase the Assessments (but not to exceed the maximum assessment permitted by law) in the manner provided by applicable Florida law, to the extent necessary to cause such projected Sum to be sufficient for said coverages.

The Issuer further covenants and agrees that after receipt by the Issuer of each Annual Audit, if the Net Revenues and/or the moneys on deposit in the Rate Stabilization Fund shall be shown by such Annual Audit to have been insufficient in the

Fiscal Year audited for the coverages required by the first two paragraphs of this section, the Issuer shall, prior to the commencement of the next succeeding Fiscal Year, increase the Rates by adopting a schedule thereof by resolution or ordinance in the manner provided by applicable Florida law and/or increase the Assessments (but not to exceed the maximum assessment permitted by law) in the manner provided by applicable Florida law, to the extent necessary in order that the Issuer shall be able to obtain and file in the minutes of the Governing Body a certificate in writing of an independent firm of certified public accountants of suitable qualifications and experience that (1) had such revised Rates and/or Assessments been in effect during such immediately preceding Fiscal Year the coverages required by the first two paragraphs of this section would have been met or exceeded, and (2) had the same been in effect since the beginning of the then current Fiscal Year, (a) based upon the current Annual Budget said coverages would be met or exceeded for such current Fiscal Year and (b) estimated Gross Revenues for such current Fiscal Year as reflected in the current Annual Budget would exceed the actual Gross Revenues received in such immediately preceding Fiscal Year as reflected in such Annual Audit by at least the amount that the estimated Operating Expenses for such current Fiscal Year as reflected in the current Annual Budget shall exceed the actual Operating Expenses during such immediately preceding Fiscal Year as reflected in such Annual Audit. If and whenever the Issuer shall be required to increase the Rates and/or the Assessments by reason of the provisions of this paragraph, the Issuer shall cause the Consulting Engineers to review the Rates, Assessments, if any, Gross Revenues, Operating Expenses and methods of operation and to make written recommendations as to the means, including further increases in the Rates and/or the Assessments, by which the Issuer may best assure Net Revenues in the next succeeding Fiscal Year sufficient for compliance with all of the terms of this Resolution. The Issuer shall implement such recommendations by making any recommended revisions in the Rates and/or in the Assessments, in the aforesaid manner, effective at the beginning of the next succeeding Fiscal Year or as soon thereafter as shall be possible, and by taking any other recommended action as soon thereafter as shall be practicable.

SECTION 5.08. Collection of Assessments. At all times during which the Assessments are pledged to the payment of the Bonds in accordance with Section 4.03 hereof, the Issuer covenants that it will forthwith, whenever it shall first be timely, adopt all resolutions, hold all hearings and perform all acts which are conditions precedent to and are necessary for the lawful levy and collection of the Assessments against that classification of lands and properties specially benefited by the construction of any Project that the Issuer has determined shall be assessed for the benefit provided by such Project. If any Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that

any Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have failed to assess any particular parcel of property so classified by the Issuer and specially benefited by any Project determined to be financed by Assessments when the Issuer might have done so, the Issuer covenants that it will take all necessary steps to cause a new and valid assessment to be made for the whole or any part of any classified improvement or against any classified property that the Issuer has determined shall be assessed for the benefit provided by such Project; and in any case any such second assessment, or an initial assessment for one that shall have been omitted, shall be either in whole or in part annulled, vacated or or set aside or be unenforceable or uncollectible by reason of defect or irregularity the Issuer shall obtain and make other assessments until a valid assessment shall be made. Provided, however, subject always to the covenant contained in Section 5.07 hereof, the Issuer hereby reserves the right to eliminate any classification of lands and properties as either not being benefited by any Project or not to be assessed for any benefit received and the further right to reduce the amount of or eliminate any assessment which shall have been levied against any classification of lands or properties specially benefited by the construction of any Project.

SECTION 5.09. Books and Records. The Issuer will keep books, records and accounts of the receipt of the Pledged Funds in accordance with generally accepted accounting principles, and any Credit Bank, Insurer, or Holder of any Bonds Outstanding or the duly authorized representatives thereof shall have the right at all reasonable times to inspect all books, records and accounts of the Issuer relating thereto.

The Issuer covenants that within one hundred eighty (180) days of the close of each Fiscal Year it will cause to be prepared and filed with the Clerk and mailed to all Credit Banks, Insurers and Holders who shall have filed their names and addresses with the Clerk for such purpose a statement setting forth in respect of the preceding Fiscal Year: (A) the amount of the Pledged Funds received in the preceding Fiscal Year; (B) the total amounts deposited to the credit of each fund and account created under the provisions of this Resolution; (C) the principal amount of all Bonds issued, paid, purchased or redeemed; and (D) the amounts on deposit at the end of such Fiscal Year to the credit of each such fund or account.

SECTION 5.10. Annual Audit. The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent firm of certified public accountants, and shall require such accountants to complete their report of such Annual Audit in accordance with applicable law. Such Annual Audits shall contain, but not be limited to, a balance sheet, an income

statement, a statement of changes in financial position, a statement of change in retained earnings, a statement of insurance coverage, and any other statements as required by law or accounting convention, and a certificate by such accountants disclosing any material default on the part of the Issuer of any covenant or agreement herein. Each Annual Audit shall be in conformity with generally accepted accounting principles. A copy of each Annual Audit shall regularly be furnished to any Credit Bank, to any Insurer and to any Holder who shall have furnished an address to the Clerk and requested in writing that the same be furnished to such Holder. The Issuer shall be permitted to make a reasonable charge for furnishing to any Holder such Annual Audit.

SECTION 5.11. Mortgage, Sale or Closing of Facilities.
The Issuer irrevocably covenants, binds and obligates itself not to sell, lease, encumber or in any manner dispose of any facilities of the System except as provided in this section, until all of the Bonds and all interest thereon shall have been paid in full or provision for payment has been made in accordance with Section 8.01 hereof.

The Issuer shall have and hereby reserves the right to close any solid waste disposal site or part thereof and/or sell, lease or otherwise dispose of any site, facilities or property comprising a part of the System in the manner provided in this Section 5.11, if in the judgment of the Issuer such closing or disposition will not adversely affect the security for the Bondholders and any one of the following conditions exist: (A) such site, facilities or property is not necessary for the operation of the System, (B) such site, facilities or property is not useful in the operation of the System, (C) such site, facilities or property is not profitable in the operation of the System, or (D) in the case of a lease of such site, facilities or property, such lease will be advantageous to the System.

Prior to the Issuer's closing of any solid waste disposal site or part thereof, an Authorized Issuer Officer shall first make a finding in writing and the Consulting Engineers shall first make an engineering finding in writing determining that one or more of the conditions for the closing, sale, lease or other disposition of property provided for in the second paragraph of this Section 5.11 have been met, and the Governing Body shall, by resolution, duly adopt, approve and concur in such finding. Prior to any such sale, lease or other disposition of said property: (1) if the value thereof at original cost is not in excess of one-half ($1/2$) of one percent (1%) of the value of the gross plant of the System at original cost, an Authorized Issuer Officer shall make a finding in writing determining that one or more of the conditions for the closing, sale, lease or disposition of property provided for in the second paragraph of this Section 5.11 have been met; or (2) if the value of said property at original cost shall be in excess of one-half ($1/2$) of one percent (1%) of the

value of the gross plant of the System at original cost, an Authorized Issuer Officer shall first make a finding in writing and the Consulting Engineers shall first make an engineering finding in writing determining that one or more of the conditions for the closing, sale, lease or other disposition of property provided for in the second paragraph of this Section 5.11 have been met, and the Governing Body shall, by resolution, duly adopt, approve and concur in such finding.

The proceeds from any such sale, lease or other disposition shall be deposited into the Revenue Fund.

The transfer of the System as a whole from the control of the Governing Body to some other board or authority which may hereafter be created for such purpose and which constitutes a governmental entity, interest on obligations issued by which is excluded from gross income of the holders thereof for federal income tax purposes under Section 103 of the Code, shall not be deemed prohibited by this Section 5.11 and such successor board or authority shall fall within the definition of "Issuer" in Section 1.01 hereof.

Notwithstanding the foregoing provisions of this Section 5.11, the Issuer shall have the authority to sell for fair and reasonable consideration any land comprising a part of the System which is no longer necessary or useful in the operation of the System and the proceeds derived from the sale of such land shall be deposited into the Revenue Fund.

The Issuer may make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the System if such contract, license, easement or right does not, in the opinion of the Consulting Engineers, as evidenced by a certificate to that effect filed with the Issuer, impede or restrict the operation by the Issuer of the System, but any payments to the Issuer under or in connection with any such contract, license, easement or right in respect of the System or any part thereof shall constitute Gross Revenues.

SECTION 5.12. Insurance. So long as the Net Revenues are pledged hereunder, the Issuer will carry, with a reputable insurance carrier or carriers, such insurance as is ordinarily carried by private or public corporations owning and operating solid waste disposal facilities similar to the System, including public liability insurance, in such amounts as the Issuer shall determine to be sufficient. The property loss or damage insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, furniture, fixtures and equipment of the System.

The Issuer may establish certain minimum levels of insurance for which the Issuer may self-insure. Such minimum levels of insurance shall be in amounts as recommended in writing by an insurance consultant who has a favorable reputation and experience and is qualified to survey risks and to recommend insurance coverage for Persons engaged in operations similar to the System.

SECTION 5.13. No Impairment. The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the Governing Body. This provision shall not, however, be deemed to prohibit the reduction or elimination of the Rates and/or of the Assessments in the manner provided in Section 5.07 and 5.08 hereof, respectively.

SECTION 5.14. Special Covenants Relating to Reserve Account Insurance Policy or Reserve Account Letter of Credit.

(A) The Issuer shall annually submit to the issuer of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit, records of withdrawals on such Reserve Account Insurance Policy or such Reserve Account Letter of Credit, as the case may be, received by the Paying Agent and remaining unpaid, the respective dates of such withdrawals, the interest accrued on such withdrawals and the aggregate amount of interest due by the Issuer to the issuer of such Reserve Account Insurance Policy or such Reserve Account Letter of Credit, as the case may be.

(B) The Issuer hereby acknowledges that the issuer of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit shall be deemed a third-party beneficiary of this Resolution for the purpose of enforcing the terms, conditions and obligations of the Resolution which benefit the issuer of such Reserve Account Insurance Policy or such Reserve Account Letter of Credit, as the case may be.

SECTION 5.15. Covenants with Credit Banks and Insurers. The Issuer may make such covenants as it may in its sole discretion, determine to be appropriate with any Insurer, Credit Bank or other financial institution that shall agree to insure or to provide for Bonds of any one or more Series credit or liquidity support that shall enhance the security or the value of such Bonds. Such covenants may be set forth in the applicable Supplemental Resolution and shall be binding on the Issuer, the Registrar, the Paying Agent and all the Holders of Bonds the same as if such covenants were set forth in full in this Resolution.

SECTION 5.16. Federal Income Tax Covenants; Taxable Bonds.

(A) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds), that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become includable in the gross income of the Holder thereof for federal income tax purposes.

(B) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that neither the Issuer nor any Person under its control or direction will knowingly make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and neither the Issuer nor any such other Person shall knowingly do any act or fail to do any act which would cause the interest on such Series of Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes.

(C) The Issuer hereby covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it will use its best efforts to comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from the gross income of the Holder thereof for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the United States Treasury pursuant to the Code.

(D) The Issuer may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includible in the gross income of the Holder thereof for federal income taxation purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become includable in the gross income of the Holder thereof for federal income tax purposes. The covenants set forth in subsections (A), (B) and (C) of this Section 5.16 shall not apply to any Taxable Bonds.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. The following events shall each constitute an "Event of Default" hereunder:

(A) Default shall be made in the payment of the principal of, Amortization Installment, redemption premium or interest on any Bond when due. In determining whether any default shall

have occurred in respect of any such payment, no effect shall be given to any payment or payments under the Bond Insurance Policy.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty (30) days after written notice of such default shall have been received from any Insurer or the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding or any Credit Bank. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

The Issuer and any trustee for Bondholders appointed hereunder shall each be obligated to give written notice to the Insurer of any payment default or other default known to the Issuer or such trustee within thirty days of the Issuer's or such trustee's knowledge thereof.

SECTION 6.02. Remedies. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof. This paragraph shall not be deemed to be a waiver by the Issuer of its venue rights.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the

Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

SECTION 6.03. Directions to Trustee as to Remedial Proceedings. The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring, or any Credit Bank providing a Credit Facility for, any then Outstanding Bonds) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 6.04. Remedies Cumulative. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 6.05. Waiver of Default. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 of this Resolution to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

SECTION 6.06. Application of Moneys After Default. If an Event of Default shall happen and shall not have been remedied,

the Issuer or a court-appointed trustee or receiver shall apply all Pledged Funds as follows and in the following order:

(A) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent hereunder; and

(B) To the payment of the amounts required for reasonable and necessary Operation Expenses, and for the reasonable renewals, repairs and replacements of the System necessary to prevent loss of Gross Revenues, as certified by the Consulting Engineers; and

(C) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority

of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

SECTION 6.07. Control by Insurer or Credit Bank. Upon the occurrence and continuance of an Event of Default, each Insurer or Credit Bank, if such Insurer or Credit Bank shall have honored all of its commitments under its Bond Insurance Policy or its Credit Facility, as the case may be, shall be entitled to direct and control the enforcement of all rights and remedies with respect to the Bonds it shall insure or for which such Credit Facility is provided.

ARTICLE VII

SUPPLEMENTAL RESOLUTIONS

SECTION 7.01. Supplemental Resolution Without Bondholders' Consent. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine at any time prior to the first delivery of any Series of Bonds the matters and things referred to in Sections 2.01, 2.02 or 2.09 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination.

(F) To authorize Additional Projects or to change or modify the description of the Initial Project or any Additional Project.

(G) To specify and determine matters necessary or desirable for the issuance of Capital Appreciation Bonds or Variable Rate Bonds.

(H) To authorize Additional Bonds or Subordinated Indebtedness.

(I) To make any other change that, in the opinion of Bond Counsel, would not materially adversely affect the security for the Bonds. In making such determination, Bond Counsel shall not take into consideration any Bond Insurance Policy.

Except Supplemental Resolutions described in subsections (E), (F) and (H) of this Section 7.01 and Supplemental Resolutions adopted for the purpose of authorizing Additional Bonds in compliance with all applicable provisions hereof, no Supplemental Resolution adopted pursuant to this Article VII shall become effective unless approved by every Insurer; and the Issuer covenants and agrees to furnish to each Insurer an executed original transcript of the Issuer's proceedings with respect to the adoption of each Supplemental Resolution.

SECTION 7.02. Supplemental Resolution With Bondholders', Insurer's and Credit Bank's Consent. Subject only to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of the Insurer of, or any Credit Bank providing a Credit Facility for, any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder,

(B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Funds which adversely affects the rights granted by the Bonds or this Resolution in favor of any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders, the Insurer or the Credit Bank of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books and to all Insurers of, and Credit Banks providing a Credit Facility for, Bonds Outstanding. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

SECTION 7.03. Amendment with Consent of Insurer and/or Credit Bank Only. If all of a Series of Bonds Outstanding hereunder are insured or secured as to payment of principal and interest by an Insurer or Insurers and/or by a Credit Facility provided by a Credit Bank or Credit Banks, and the Insurer or Insurers and/or the Credit Bank or Credit Banks, as applicable, are not in default, and such Bonds, at the time of the hereinafter described amendment, shall be rated by the rating agencies which shall have rated the Bonds at the time such Bonds were insured or such Credit Facility was provided no lower than the ratings assigned thereto by such rating agencies on the date such Bonds were insured or such Credit Facility was provided, the Issuer may enact one or more Supplemental Resolutions amending all or any part of Articles I, IV, V, VI and VIII hereof with the written consent of said Insurer or Insurers and/or said Credit Bank or Credit Banks, as applicable, and the acknowledgment by said Insurer or Insurers and/or said Credit Bank or Credit Banks that its Bond Insurance Policy or its Credit Facility, as the case may be, will remain in full force and effect. The consent of the Holders of any Bonds shall not be necessary. The foregoing right of amendment, however, does not apply to any amendment to Section 5.16 hereof with respect to the exclusion, if applicable, of interest on said Bonds from the gross income of the Holders thereof for federal income tax purposes nor may any such amendment deprive the Holders of any Bond of right to payment of the Bonds from, and their lien on, the Pledged Funds and any additional security pledged hereunder. The Issuer agrees that the rating agencies shall receive notice of each proposed amendment, including a copy thereof, at least 15 days in advance of its adoption by the Governing Body. Upon filing with the Clerk of evidence of such consent of the Insurer or Insurers and/or the Credit Bank or Credit Banks as aforesaid, the Issuer may adopt such Supplemental Resolution. After the adoption by the Issuer of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notice of an amendment under Section 7.02 hereof.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Defeasance. If the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in

the manner stipulated therein and in this Resolution, then the pledge of the Pledged Funds and any additional security pledged hereunder, and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds not therefore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section 8.01 if (A) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such bank or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Neither the Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption thereof; provided, however, the Issuer may substitute new Securities and moneys for the deposited Securities and moneys if the new Securities and moneys are sufficient to pay the principal of or Redemption Price, if applicable, and interest on such Bonds, and any trust agreement governing the deposit of such Securities and moneys may provide for the investment of moneys unclaimed by Bondholders and for the payment to the Issuer of such unclaimed moneys and the investment earnings thereon.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Securities and moneys, if any, in accordance with this Section 8.01, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest

Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 8.01, such excess shall be paid to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

In the event of an advance refunding of any of the Bonds, the Issuer shall obtain a verification report rendered by a firm of independent nationally recognized certified public accountants and cause a copy thereof to be furnished to the Insurer.

In the event that the principal of or Redemption Price, if applicable, and interest due on the Bonds or any portion thereof shall be paid by an Insurer or Insurers or a Credit Bank or Credit Banks and such Insurer or Credit Bank shall not have been reimbursed by the Issuer, such Bonds or any portion thereof shall remain Outstanding, shall not be defeased and shall not be considered paid by the Issuer, and the pledge of the Pledged Funds and any additional security pledged hereunder, and all covenants, agreements and other obligations of the Issuer to the Bondholders shall continue to exist and such Insurer or Insurers or such Credit Bank or Credit Banks shall be subrogated to the rights of such Bondholders.

SECTION 8.02. Capital Appreciation Bonds. For the purposes of (A) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (B) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this

Resolution, or (C) computing the amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Issuer or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 8.03 Paying Agent. No resignation or removal of the Paying Agent shall become effective until a successor paying agent has been appointed and has accepted the duties of Paying Agent. The Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent, and the appointment of any successor Paying Agent. The Paying Agent shall not take the Bond Insurance Policy into account in determining whether the rights of bondholders are adversely affected by actions taken pursuant to the terms and provisions of this Resolution.

SECTION 8.04 Insurer. Upon the occurrence of an event of default which would require the Insurer to make payments under the Bond Insurance Policy, the Insurer and its designated agent shall be provided with access to the registration books of the Issuer. No Variable Rate Bonds shall be issued without the prior written consent of the Insurer. The Insurer shall be provided with the following information:

(i) The Issuer's budget for each year and annual audited financial statements, promptly upon preparation of the same in accordance with applicable law;

(ii) Each official statement, if any, prepared by the Issuer or for the Issuer in connection with the issuance of either Additional Bonds or Subordinated Indebtedness, within thirty days of the issuance of such debt;

(iii) Prompt notice of any draw upon or deficiency due to market fluctuation in the amount of moneys and investments, if any, on deposit in the Reserve Account;

(iv) Prompt notice of the redemption, other than mandatory redemption by operation of the Redemption Account, of any of the Bonds, identified by principal amount, maturities and CUSIP numbers thereof;

(iv) Simultaneously with the delivery of the audited financial statements; (1) annual waste flow for prior year (tons); (2) tipping fees currently in effect (\$/ton) and (3) notification of any significant expansions (planned or in process); and

(vi) Such additional information as the Insurer may reasonably request from time to time.

The notice address for the initial Insurer shall be Financial Guaranty Insurance Company, 175 Water Street, New York, New York 10038, attention: General Counsel.

SECTION 8.05 General Authority. The members of the Governing Body and the Issuer's officers, attorneys and other agents and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Bonds to effectuate the sale of the Bonds to said initial purchasers.

SECTION 8.06 No Personal Liability. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Bonds, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the Governing Body, officer, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Bonds or any certificate or other instrument to be executed in connection with the issuance of the Bonds, shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 8.07 No Third Party Beneficiaries. Except such other Persons as may be expressly described herein or in the Bonds, nothing in this Resolution, or in the Bonds, expressed or implied, is intended or shall be construed to confer upon any Person other than the Issuer, the Holders and the Insurer any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Bonds, all provision hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Insurer and the Persons who shall from time to time be the Holders.

SECTION 8.08. Sale of Bonds. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

SECTION 8.09. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision

of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 8.10. Acceptance of Insurance Commitment. The Issuer does hereby ratify the Issuer's acceptance of the Insurer's commitment to provide a policy of municipal bond insurance with respect to the Series 1990 Bonds, a copy of which commitment is attached hereto as Exhibit A.

SECTION 8.11. Repeal of Inconsistent Resolutions. Resolution No. 88-265 adopted by the Issuer on September 27, 1988, is hereby superseded and repealed and all other resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 8.12. Table of Contents and Headings not Part Hereof. The Table of Contents preceding the body of this Resolution and the headings preceding the several articles and sections hereof shall be solely for convenience of reference and shall not constitute a part of this Resolution or affect its meaning, construction or effect.

SECTION 8.13. Effective Date. This Resolution shall become effective immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 30 day of October, 1990.

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By Craig A. McGuire
Its Chairman

(OFFICIAL SEAL)

ATTEST:

C. D. B. M. M. M.
Its Clerk

GF04C103/104

Financial Guaranty Insurance
Company
175 Water Street
New York, NY 10038-4972
(212) 607-3000
(800) 352-0001



Commitment For Municipal Bond Insurance

Issuer: St. Johns County, Florida

Date of Commitment:
October 18, 1990

Expiration Date:
December 18, 1990*

Bonds
Insured: Not to Exceed
\$13,500,000 in principal amount
of Solid Waste Disposal Revenue
Bonds, Series 1990

Premium: .65% of total debt
service on the Bonds Insured**

FINANCIAL GUARANTY INSURANCE COMPANY
("Financial Guaranty")

A Stock Insurance Company

hereby commits to issue a Municipal Bond New Issue Insurance Policy (the "Policy"), in the form attached hereto as Exhibit A, relating to the above-described debt obligations (the "Bonds"), subject to the terms and conditions contained herein or added hereto.

To keep this Commitment in effect after the expiration date set forth above, a request for renewal must be submitted to Financial Guaranty prior to such expiration date. Financial Guaranty reserves the right to refuse wholly or in part to grant a renewal.

THE MUNICIPAL BOND NEW ISSUE INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any

* Subject to written acceptance of this Commitment being furnished to Financial Guaranty by the earlier of the date on which the disclosure document relating to the Bonds is circulated and October 25, 1990.

** The amount of Bond proceeds deposited with the Paying Agent at closing for the payment of accrued interest shall not be applied as a credit in calculating total debt service on the Bonds Insured.

- untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any purchaser of the Bonds, otherwise required, not to be required to purchase the Bonds on the date scheduled for the issuance and delivery thereof.
 3. There shall be no material change in or affecting the Bonds (including, without limitation, the security for the Bonds) or the financing documents or the official statement (or any similar disclosure documents) to be executed and delivered in connection with the issuance and sale of the Bonds from the descriptions or forms thereof approved by Financial Guaranty.
 4. The Bonds shall contain no reference to Financial Guaranty, the Policy or the municipal bond insurance evidenced thereby except as may be approved by Financial Guaranty.
 5. Financial Guaranty shall be provided with:
 - (a) Executed copies of all financing documents, the official statement (or any similar disclosure document), and all Bond documentation evidencing the Issuer's ability and intent to comply with the Internal Revenue Code of 1986 (if in the opinion of bond counsel (described below) on-going compliance would be necessary to maintain the exemption from federal income taxation of interest on the Bonds), which shall be in form and substance acceptable to Financial Guaranty, and the various legal opinions delivered in connection with the issuance and sale of the Bonds, including, without limitation, the unqualified approving opinion of bond counsel rendered by a law firm acceptable to Financial Guaranty, which opinion shall include a statement to the effect that the interest on the Bonds is exempt from federal income taxation under the Internal Revenue Code of 1986 except for any alternative minimum tax which may be imposed upon interest on the Bonds. Copies of all drafts of such documents (blacklined as appropriate) prepared subsequent to the date of this Commitment shall be furnished to Financial Guaranty. Final drafts of such documents shall be provided to Financial Guaranty at least five

(5) business days prior to the issuance of the Policy unless Financial Guaranty shall approve a shorter period.

- (b) A letter from bond counsel addressed to Financial Guaranty to the effect that Financial Guaranty may rely on the approving opinion of bond counsel as if such opinion were addressed to Financial Guaranty.
- (c) Evidence of wire transfer in federal funds in an amount equal to the insurance premium, unless alternative arrangements for the payment of the premium acceptable to Financial Guaranty have been made prior to the delivery date of the Bonds.

ADDITIONAL CONDITIONS

6. The Resolution (draft dated October 2, 1990) shall include the following terms and conditions:

- (a) The definition of "Insurer" in respect of the Series 1990 Bonds shall read as follows: "Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto".
- (b) The definition of Authorized Investments shall be revised to permit only those investments specified in Exhibit D hereto, to the extent permitted by applicable law.

Such investments (except investment agreements) shall be valued by the Trustee as frequently as deemed necessary by the Bond Insurer, but not less often than annually, at the lower of cost or market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

- (c) Section 3.03 shall provide that notice of the redemption of Bonds, other than mandatory sinking fund redemption and excepting any notice that refers to Bonds that are the subject of an advance refunding, shall be circulated only if sufficient funds have been deposited with the Trustee to pay the redemption price of the Bonds to be redeemed.
- (d) Upon the occurrence of an event of default which would require the Bond Insurer to make payments under the Bond Insurance Policy, the Bond Insurer and its designated agent shall be provided with access to the registration books of the Issuer.

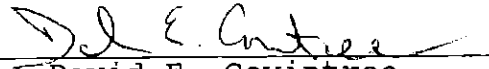
- (e) Section 4.06(B) shall be revised to require that monies in the Rate Stabilization Fund may be released in order to be used for any lawful purpose at the end of any Fiscal Year only to the extent no deficiency then exists in any other fund or account.
- (f) Section 4.06(C)(4) shall provide that any credit instrument provided in lieu of a cash deposit into the Reserve Account shall conform to the requirements set forth in Exhibit E hereto.
- (g) The Reserve Account shall be funded in an amount equal to the Reserve Account Requirement simultaneously with the issuance of the Series 1990 Bonds.

In addition, the second paragraph of Section 4.06(c)(4) shall be revised to require that simultaneously with the issuance of any additional Series of Bonds, the Reserve Account shall be funded in an amount to equal the Reserve Account Requirement for such Series of Bonds.

- (h) Section 6.01 shall provide that in determining whether a payment default has occurred, no effect shall be given to payments made under the Bond Insurance Policy.
- (i) The Bond Insurer shall receive immediate notice of any payment default and notice of any other default known to the Trustee within 30 days of the Trustee's knowledge thereof.
- (j) Section 7.03 shall be revised to require that to the extent the Resolution is amended thereto, the rating agencies must receive notice of each amendment and a copy thereof at least 15 days in advance of its executed adoption.
- (k) No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent, and the appointment of any successor thereto.
- (l) The Paying Agent shall not take the Bond Insurance Policy into effect in determining whether the rights of bondholders are adversely affected by actions taken pursuant to the terms and provisions of the Resolution.

- (m) Section 8.01 shall provide that in the event of an advance refunding, the Issuer shall cause to be delivered a verification report of an independent nationally recognized certified public accountant.
 - (n) Section 8.05 shall include the Bond Insurer.
 - (o) No Variable Rate debt shall be issued without the prior written consent of Financial Guaranty.
 - (p) Financial Guaranty shall be provided with the following information:
 - (i) Budget for each year and annual audited financial statements, preferably within 120 days after the end of the Issuer's fiscal year;
 - (ii) Official statement, if any, prepared in connection with the issuance of additional debt, whether or not it is on a parity with the insured issue within 30 days of the bond sale;
 - (iii) Notice of any draw upon or deficiency due to market fluctuation in the amount, if any, on deposit in the Reserve Account;
 - (iv) Notice of the redemption, other than mandatory sinking fund redemption, of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;
 - (v) Simultaneously with the audited financial statements: (1) annual waste flow for prior year (tons); (2) tipping fees currently in effect (\$/ton) and (3) notification of any significant expansions (planned or in process); and
 - (vi) Such additional information as Financial Guaranty may reasonably request from time to time.
 - (q) The notice address for the Bond Insurer shall be included: Financial Guaranty Insurance Company, 175 Water Street, New York, New York 10038, Attention: General Counsel.
7. The Bonds shall bear a Statement of Insurance in the form attached hereto as Exhibit B. BOND PROOFS SHALL BE APPROVED BY FINANCIAL GUARANTY PRIOR TO PRINTING.

8. The official statement shall (a) be satisfactory in form and substance to Financial Guaranty and (b) shall contain the language attached hereto as Exhibit C and only such other references to Financial Guaranty as we shall supply or approve.
9. Promptly after the closing of the Bonds, Financial Guaranty shall receive three completed sets of executed documents (one original and two photocopies), copies of which we will deliver to each agency rating the Bonds.

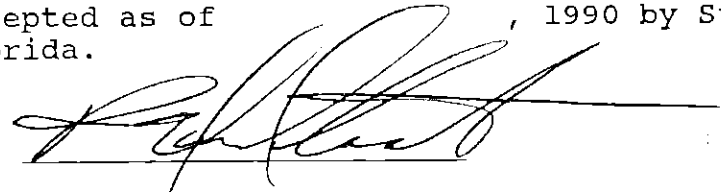


David E. Covintree
First Vice President
Deputy Director of Risk Management

To keep this commitment in effect to the Expiration Date set forth on the first page, Financial Guaranty must receive a duplicate of this Commitment executed by an appropriate officer of St. Johns County, Florida by the earlier of the date on which the disclosure document relating to the Bonds is circulated and October 25, 1990.

The undersigned agrees that if the Bonds are insured by a policy of municipal bond insurance, such insurance shall be provided by Financial Guaranty in accordance with the terms of this Commitment.

Accepted as of _____, 1990 by St. Johns County,
Florida.

BY: 

TITLE: County Administrator

Financial Guaranty Insurance
Company

The undersigned representative of Prudential-Bache Capital Funding, the underwriter of the St. Johns County, Florida Solid Waste Disposal Revenue Bonds, Series 1990 (the "Bonds") hereby agrees that if the Bonds are insured by a policy of municipal bond insurance, such insurance shall be provided by Financial Guaranty Insurance Company in accordance with the terms and provisions of the Commitment for Municipal Bond Insurance dated October 18, 1990 provided by Financial Guaranty Insurance Company with respect to the Bonds.

PRUDENTIAL-BACHE CAPITAL FUNDING

By:

Chit C. H. H. H.

Title:

Vice President

Dated:

October 23, 1990

Financial Guaranty Insurance
Company
175 Water Street
New York, NY 10038-4972
(212) 607-3000
(800) 352-0001

A GE Capital Company



Municipal Bond New Issue Insurance Policy

Issuer:

Policy Number:

Control Number:

Bonds:

Premium:

Financial Guaranty Insurance Company ("Financial Guaranty"), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay to Citibank, N.A., or its successor, as its agent (the "Fiscal Agent"), for the benefit of Bondholders, that portion of the principal 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.

Financial Guaranty will make such payments to the Fiscal Agent on the date such principal or interest becomes Due for Payment or on the Business Day next following the day on which Financial Guaranty shall have received Notice of Nonpayment, whichever is later. The Fiscal Agent will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid by reason of Nonpayment by the Issuer but only upon receipt by the Fiscal Agent, in form reasonably satisfactory to it, of (i) evidence of the Bondholder's right to receive payment of the principal or interest Due for Payment and (ii) evidence, including any appropriate instruments of assignment, that all of the Bondholder's rights to payment of such principal or interest Due for Payment shall thereupon vest in Financial Guaranty. Upon such disbursement, Financial Guaranty shall become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and shall be fully subrogated to all of the Bondholder's rights thereunder, including the Bondholder's right to payment thereof.

This Policy is non-cancellable for any reason. The premium on this Policy is not refundable for any reason, including the payment of the Bonds prior to their maturity. This Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bond.

As used herein, the term "Bondholder" means, as to a particular Bond, the person other than the Issuer who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof. "Due for Payment" means, when referring to the principal of a Bond, the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity and means, when referring to interest on a

Financial Guaranty Insurance
Company
175 Water Street
New York, NY 10038-4972
(212) 607-3000
(800) 352-0001



A GE Capital Company

Municipal Bond New Issue Insurance Policy

Bond, the stated date for payment of interest. "Nonpayment" in respect of a Bond means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all principal and interest Due for Payment on such Bond. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or a paying agent for the Bonds to Financial Guaranty. "Business Day" means any day other than a Saturday, Sunday or a day on which the Fiscal Agent is authorized by law to remain closed.

In Witness Whereof, Financial Guaranty has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officers in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

A handwritten signature in black ink, appearing to read "A. B. ...", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "K. ...", positioned above the title "Senior Vice President".

Senior Vice President

Effective Date:

Authorized Representative

Citibank, N.A., acknowledges that it has agreed to perform the duties of Fiscal Agent under this Policy.

A handwritten signature in black ink, appearing to read "A. ...", positioned above the title "Authorized Officer".

Authorized Officer

Financial Guaranty Insurance
Company
175 Water Street
New York, NY 10038-4972
(212) 607-3000
(800) 352-0001



A GE Capital Company

Endorsement To Financial Guaranty Insurance Company Insurance Policy

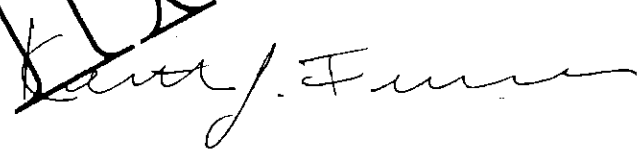
Policy Number:

Control Number:

It is further understood that the term "Nonpayment" in respect of a Bond includes any payment of principal or interest made to a Bondholder by or on behalf of the issuer of such Bond which has been recovered from such Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officers in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.


President


Senior Vice President

Effective Date:

Authorized Representative

Acknowledged as of the Effective Date written above:


Authorized Officer
Citibank, N.A., as Fiscal Agent

ENDORSEMENT

To Financial Guaranty Insurance Company Insurance Policy
Policy Number:
Control Number:

The insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association (Florida Insurance Code, Sec. 631.50 et seq.)

NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE, ALTER, REDUCE, OR AMEND COVERAGE IN ANY OTHER SECTION OF THE POLICY. IF FOUND CONTRARY TO THE POLICY LANGUAGE, THE TERMS OF THIS ENDORSEMENT SUPERSEDE THE POLICY LANGUAGE.

In Witness Whereof, Financial Guaranty has caused this Endorsement to be affixed with its corporate seal and to be signed by its duly authorized officers in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.

President

Executive Vice President

Effective Date: , 19

Authorized Representative

Acknowledged as of the Effective
Date written above:

Authorized Officer
Citibank, N.A., as Fiscal Officer

(To be printed on the Bonds)

STATEMENT OF INSURANCE

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to the St. Johns County, Florida Solid Waste Disposal Revenue Bonds, Series 1990 (the "Bonds"), such policy being on file at the principal office of the paying agent (the "Paying Agent"):

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the Bondholders that portion of the principal of and interest on the Bonds which is then due for payment and which the issuer of the Bonds (the "Issuer") shall have failed to provide. Due for payment means, with respect to the principal, the stated maturity date thereof, or the date on which the same shall have been duly called for mandatory sinking fund redemption, but not any earlier date on which the payment of principal of the Bonds is due by reason of acceleration, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or the Paying Agent to Financial Guaranty that the required payment of principal or interest has not been made by the Issuer to the Paying Agent, Financial Guaranty on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with Citibank, N.A., or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Issuer. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the Bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such Bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the Bondholder.

As used herein the term "Bondholder" means the person other than the Issuer who at the time of nonpayment of a Bond is entitled under the terms of such Bond to payment thereof.

The policy is non-cancellable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY

EXHIBIT C

(Disclosure Language For Official Statement)

Bond Insurance

Concurrently with the issuance of the Bonds, Financial Guaranty Insurance Company ("Financial Guaranty") will issue its Municipal Bond New Issue Insurance Policy for the Bonds (the "Policy"). The Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the County. Financial Guaranty will make such payments to Citibank, N.A., or its successor as its agent (the "Fiscal Agent"), on the later of the date on which such principal and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from an owner of Bonds or the Paying Agent of the nonpayment of such amount by the County. The Fiscal Agent will disburse such amount due on any Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner's right to receive payment of the principal and interest due for payment and evidence, including any appropriate instruments of assignment, that all of such owner's rights to payment of such principal and interest shall be vested in Financial Guaranty. The term "nonpayment" in respect of a Bond includes any payment of principal or interest made to an owner of a Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

The Policy is non-cancellable and the premium will be fully paid at the time of delivery of the Bonds. The Policy covers failure to pay principal of the Bonds on their respective stated maturity dates, or dates on which the same shall have been duly called for mandatory sinking fund redemption, and not on any other date on which the Bonds may have been accelerated, and covers the failure to pay an installment of interest on the stated date for its payment.

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the "Corporation"), a Delaware holding company. The Corporation is a wholly-owned subsidiary of General Electric Capital Corporation ("GE Capital"). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is domiciled in the State of New York and is subject to regulation by the State of New York Insurance Department. As of

June 30, 1990, the total capital and surplus of Financial Guaranty was approximately \$458,300,000. Copies of Financial Guaranty's financial statements, prepared on the basis of statutory accounting principles, and the Corporation's financial statements, prepared on the basis of generally accepted accounting principles, may be obtained by writing to Financial Guaranty at 175 Water Street, New York, New York 10038, Attention: Communications Department. Financial Guaranty's telephone number is (212) 607-3000.

PERMITTED INVESTMENT GUIDELINES

- (1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America ("Direct Obligations");
- (2) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; senior debt obligations of the Federal Home Loan Banks; debentures of the Federal Housing Administration; guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Corporations; guaranteed Title XI financing of the U.S. Maritime Administration; mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association; and participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation (collectively, "Agency Obligations");
- (3) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured general obligation debt is rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation;
- (4) commercial paper rated "Prime-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Corporation;
- (5) obligations rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation;
- (6) deposits, Federal funds or bankers acceptances of any domestic bank, including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which:

- a. has an unsecured, uninsured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's Investors Service and "A-1" or "A-" or better by Standard & Poor's Corporation, or
 - b. is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting the rating requirements in (a.) above;
- (7) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$3 million, provided such deposits are fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund administered by the Federal Deposit Insurance Corporation;
- (8) investments in a money-market fund rated "Am" or "Am-G" or better by Standard & Poor's Corporation;
- (9) repurchase agreements with a term of one year or less with any institution with debt rated "AA" or commercial paper rated "A-1" (in each case by Standard & Poor's Corporation);
- (10) repurchase agreements collateralized by Direct Obligations or Agency Obligations with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's Investors Service, and "A-1" or "A-" or better by Standard & Poor's Corporation, provided:
- a. a master repurchase agreement or specific written, repurchase agreement governs the transaction; and
 - b. the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25

- million, or (iii) a bank approved in writing for such purpose by Financial Guaranty Insurance Company, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee; and
- c. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Trustee; and
 - d. the repurchase agreement has a term of thirty days or less, or the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and
 - e. the repurchase agreement matures at least ten days (or other appropriate liquidation period) prior to a debt service payment date, and
 - f. the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 100%; and
- (11) investment agreements with a bank or insurance company which has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, provided:
- a. interest is paid at least semi-annually at a fixed rate during the entire term of the agreement, consistent with bond payment dates, and

- b. moneys invested thereunder may be withdrawn without any penalty, premium, or charge upon not more than one day's notice (provided such notice may be amended or canceled at any time prior to the withdrawal date), and
- c. the agreement is not subordinated to any other obligations of such insurance company or bank, and
- d. the same guaranteed interest rate will be paid on any future deposits made to restore the reserve to its required amount, and
- e. the Trustee receives an opinion of counsel that such agreement is an enforceable obligation of such insurance company or bank.

The Issuer may satisfy the requirement (the "Reserve Fund Requirement") to deposit a specified amount in the debt service reserve fund (the "Reserve Fund") by the deposit of a surety bond, insurance policy or letter of credit as set forth below. The following requirements shall be fulfilled to the satisfaction of Financial Guaranty (including incorporation of relevant conditions in the [authorizing bond document] (the "Authorizing Document") in the event the Reserve Fund Requirement is fulfilled by a deposit of a credit instrument (other than a credit instrument issued by Financial Guaranty) in lieu of cash:

1. A surety bond or insurance policy issued to the entity serving as trustee or paying agent (the "Fiduciary"), as agent of the bondholders, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the claims paying ability of the issuer thereof shall be rated "AAA" or "Aaa" by S&P or Moody's, respectively.
2. A surety bond or insurance policy issued to the Fiduciary, as agent of the bondholders, by an entity other than a municipal bond insurer may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the form and substance of such instrument and the issuer thereof shall be approved by Financial Guaranty.
3. An unconditional irrevocable letter of credit issued to the Fiduciary, as agent of the bondholders, by a bank may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the issuer thereof is rated at least "AA" by S&P. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify the Issuer and the Fiduciary, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

If such notice indicates that the expiration date shall not be extended, the Issuer shall deposit in the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund together with any other qualifying credit instruments, to equal the Reserve Fund Requirement on all outstanding Bonds, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the Reserve Fund credit instrument is replaced by a Reserve Fund credit instrument meeting the requirements in any of 1-3 above. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Authorizing Document shall, in turn, direct the Fiduciary to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Reserve Fund is fully funded in its required amount.

4. The use of any Reserve Fund credit instrument pursuant to this Paragraph shall be subject to receipt of an opinion of counsel acceptable to Financial Guaranty and in form and substance satisfactory to Financial Guaranty as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to Financial Guaranty. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to Financial Guaranty and in form and substance satisfactory to Financial Guaranty to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the bonds (or any other account party under the letter of credit).

5. The obligation to reimburse the issuer of a Reserve Fund credit instrument for any fees, expenses, claims or draws upon such Reserve Fund credit instrument shall be subordinate to the payment of debt service on the bonds. The right of the issuer of a Reserve Fund credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Fund, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Reserve Fund. The Reserve Fund credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund credit instrument to reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund credit instrument and the amount then available for further draws or claims. If (a) the issuer of a Reserve Fund credit instrument becomes insolvent or (b) the issuer of a Reserve Fund credit instrument defaults in its payment obligations thereunder or (c) the claims-paying ability of the issuer of the insurance policy or surety bond falls below a S&P "AAA" or a Moody's "Aaa" or (d) the rating of the issuer of the letter of credit falls below a S&P "AA", the obligation to reimburse the issuer of the Reserve Fund credit instrument shall be subordinate to the cash replenishment of the Reserve Fund.
6. If (a) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (b) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P "AAA" or a Moody's "Aaa" or (c) the rating of the issuer of the letter of credit falls below a S&P "AA", the Issuer shall either (i) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal the Reserve Fund Requirement on all outstanding Bonds, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (ii) replace such

instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of 1-3 above within six months of such occurrence. In the event (a) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (b) the rating of the issuer of the letter of credit falls below "A" or (c) the issuer of the Reserve Fund credit instrument defaults in its payment obligations or (d) the issuer of the Reserve Fund credit instrument becomes insolvent, the Issuer shall either (i) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal to Reserve Fund Requirement on all outstanding Bonds, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of 1-3 above within six months of such occurrence.

7. Where applicable, the amount available for draws or claims under the Reserve Fund credit instrument may be reduced by the amount of cash or permitted investments deposited in the Reserve Fund pursuant to clause (i) of the preceding subparagraph 6.
8. If the Issuer chooses the above described alternatives to a cash-funded Reserve Fund, any amounts owed by the Issuer to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Authorizing Document for any purpose, e.g., rate covenant or additional bonds test.
9. The Authorizing Document shall require the Fiduciary to ascertain the necessity for a claim or draw upon the Reserve Fund credit instrument and to provide notice to the issuer of the Reserve Fund credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Reserve Fund credit instrument) prior to each interest payment date.

10. Cash on deposit in the Reserve Fund shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Fund credit instrument. If and to the extent that more than one Reserve Fund credit instrument is deposited in the Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

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FINANCIAL GUARANTY INSURANCE COMPANY
PROCEDURES FOR
PAYMENT OF PREMIUM

Financial Guaranty's issuance of its Municipal Bond New Issue Insurance Policy at bond closing is contingent upon its receipt of the premium. NO POLICY MAY BE RELEASED UNTIL RECEIPT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of
Amount to be Paid:

Upon determination of the final debt service schedule, provide such schedule to Financial Guaranty, Attention: Erin Ronan at (212) 607-5728 and subsequently confirm with her the amount of the premium.

Payment Date:

Date of delivery of the insured bonds.

Method of
Payment of Premium:

Wire Transfer of Federal Funds.

Wire Transfer
Instructions:

ABA Routing #: Manufacturers Hanover Trust
021000306
270 Park Avenue, New York, New York
For credit to Financial Guaranty Insurance
Company
Account #144-0-37056

CONFIRMATION OF RECEIPT OF PREMIUM

Financial Guaranty will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Carolanne Gardner (212) 607-3017.

Upon confirmation of the premium payment and satisfaction of the other conditions set forth in the commitment letter, Financial Guaranty will release the Policy.

REQUESTS FOR FURTHER INFORMATION OR
ALTERNATIVE PAYMENT ARRANGEMENTS

Requests for additional information regarding the procedures described above or as to the acceptability of alternate payment procedures should be directed to Carolanne Gardner (212) 607-3017 at least two business days prior to the closing date.

Logo Presentation for Official Statement

All offering circulars relating to securities insured by Financial Guaranty are required to bear our "FGIC" Logo, attached. It is essential that the following legend accompany the Logo on all such materials:

Service mark used by Financial Guaranty
Insurance Company, a private company not
affiliated with any U.S. government agency."

The legend must appear in bold face type, adjacent to the Logo, and not as a footnote.

Thank you for your cooperation in this matter and do not hesitate to contact us with any questions on the use of the Logo.

Logotype for Official Statements and Tombstones

Financial Guaranty Insurance Company



Service mark used by Financial Guaranty Insurance Company, a private company not affiliated with any U.S. government agency.

Financial Guaranty Insurance Company



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NOTICE

CHANGE IN COLLECTION AND PAYMENT OF RATING AGENCY FEES ON INSURED TRANSACTIONS

Effective May 29, 1990, Moody's Investors Service and Standard & Poor's Corporation have agreed with Financial Guaranty and other major municipal bond insurers to implement a change in their billing and collection of rating agency fees on insured transactions.

Prior to closing, an invoice for the rating agency fee will be prepared by each rating agency and will be delivered to the Issuer by such rating agency. If the Issuer has previously applied and paid for a rating from either rating agency on the issue to be insured by such rating agency, no further fee will be payable to such rating agency.

Payment of the fees owed, if any, should be made directly to each rating agency. Financial Guaranty will not seek to confirm the Issuer's payment of such fees and the release of the bond insurance policy will not be subject to payment of such fees.

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