

RESOLUTION NO. 92-104

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 92-103 OF ST. JOHNS COUNTY, FLORIDA, ADOPTED JUNE 23, 1992, WHICH PROVIDES FOR THE REFUNDING OF THE COUNTY'S OUTSTANDING TRANSPORTATION IMPROVEMENT REVENUE BONDS, SERIES 1988 AND AUTHORIZES THE ISSUANCE BY THE COUNTY OF NOT EXCEEDING \$12,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF TRANSPORTATION IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 1992, TO FINANCE THE COST THEREOF; FOR THE PURPOSE OF ACCEPTING THE INSURER'S COMMITMENTS RELATING TO A BOND INSURANCE POLICY AND A RESERVE ACCOUNT INSURANCE POLICY; AUTHORIZING THE EXECUTION AND DELIVERY OF A RESERVE ACCOUNT INSURANCE POLICY AGREEMENT BETWEEN THE ISSUER AND THE INSURER; AUTHORIZING A NEGOTIATED SALE AND THE AWARD OF THE SALE OF SUCH REFUNDING BONDS, APPROVING THE CONDITIONS AND CRITERIA FOR SUCH SALE AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT WITH RESPECT TO SUCH REFUNDING BONDS; APPROVING A DRAFT PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO SUCH REFUNDING BONDS AND AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT WITH RESPECT THERETO; APPOINTING THE REGISTRAR AND PAYING AGENT FOR SUCH REFUNDING BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT BETWEEN THE COUNTY AND THE ESCROW HOLDER; APPOINTING THE ESCROW HOLDER UNDER SAID ESCROW DEPOSIT AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. DEFINITIONS. The terms used in this resolution shall have the respective meanings assigned to them in the Original Instrument and in this Section, unless the text hereof clearly otherwise requires:

"Bond Counsel" shall mean Foley & Lardner, Jacksonville, Florida, bond counsel to the Issuer with respect to the issuance of the Series 1992 Bonds.

"Board" shall mean the Board of County Commissioners of the Issuer.

"Draft Preliminary Official Statement" shall mean the draft preliminary official statement relating to the Series 1992 Bonds attached hereto as Exhibit A.

"Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement to be executed between the Issuer and the Escrow Holder, substantially in the form attached hereto as Exhibit D.

"Escrow Holder" shall mean the Escrow Holder appointed pursuant to Section 11 of this resolution.

"Financial Advisor" shall mean Public Financial Management, Inc., Fort Myers, Florida.

"Original Instrument" shall mean the Resolution authorizing the issuance of the Series 1992 Bonds adopted by the Board on JUNE 23, 1992.

"Purchase Contract" shall mean the Bond Purchase Agreement to be executed between the Issuer and the Purchaser, substantially in the form attached hereto as Exhibit B.

"Purchaser" shall mean William R. Hough & Co., the purchaser of the Series 1992 Bonds.

"Reserve Account Insurance Policy Agreement" shall mean the Debt Service Reserve Fund Policy Agreement to be executed between the Issuer and the Insurer, substantially in the form attached hereto as Exhibit E.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

SECTION 3. FINDINGS. It is hereby found and determined that:

(A) On JUNE 23, 1992, the Board duly adopted the Original Instrument for the purpose of authorizing the refunding of the Refunded Obligations and the issuance of the Series 1992 Bonds to pay the cost thereof.

(B) The Issuer has received from Financial Guaranty Insurance Company (the "Insurer") commitments to provide a Bond Insurance Policy and a Reserve Account Insurance Policy with respect to the Series 1992 Bonds, copies of which are attached hereto as Exhibit C; on behalf of the Issuer, Nicholas M. Meiszer, its County Administrator, accepted said

commitments; and it is in the best financial interest of the Issuer that the Issuer ratify such acceptance of said commitments and authorize the execution and delivery of the Reserve Account Insurance Policy Agreement.

(C) The Issuer is advised that due to the present volatility of the market for tax-exempt public obligations such as the Series 1992 Bonds, it is in the best interest of the Issuer to sell the Series 1992 Bonds by a negotiated sale, allowing the Issuer to enter such market at the most advantageous time, rather than at a specified advertised future date, thereby permitting the Issuer to obtain the best possible price, interest rate and other terms for the Series 1992 Bonds and, accordingly, the Board does hereby find and determine that it is in the best financial interest of the Issuer that a negotiated sale of the Series 1992 Bonds be authorized.

(D) The Purchaser has verbally agreed with the Board to use its reasonable efforts to submit to the Issuer an offer to purchase the Series 1992 Bonds in the form of the Purchase Contract upon terms acceptable to the Board as hereinafter authorized, and the Board does hereby find and determine that it is in the best financial interest of the Issuer to accept the offer of the Purchaser to purchase the Series 1992 Bonds at a negotiated sale and to authorize the execution and delivery of the Purchase Contract in the manner and upon the terms hereinafter provided; and upon the execution of the Purchase Contract by the Issuer and the Purchaser, the Series 1992 Bonds shall be sold to the Purchaser pursuant to the terms and provisions of the Purchase Contract.

(E) The Issuer is advised that because the terms of the Series 1992 Bonds cannot be determined on the date of adoption of this Resolution, it is in the best interest of the Issuer to delegate the authority to determine, in accordance with Sections 2.01 and 2.02 of the Original Instrument, the terms of the Series 1992 Bonds, including their date, Amortization Installments, maturity dates, interest rates and redemption provisions, to the Chairman in the manner hereinafter provided.

(F) The terms of the Series 1992 Bonds hereinafter authorized are more favorable to the Issuer than the terms of the Refunded Obligations and it is advantageous to the Issuer to issue the Series 1992 Bonds in the manner and upon the terms hereinafter provided.

(G) It is appropriate that the Issuer approve a preliminary official statement for the purpose of acquainting potential investors with pertinent information with respect to the Issuer and the Series 1992 Bonds and that the Issuer authorize the distribution of a final official statement prior to or contemporaneously with the issuance and delivery of the Series 1992 Bonds. For this purpose, it is appropriate that the Draft Preliminary Official Statement be approved and that preparation and distribution of a preliminary official statement and a final official statement in the manner hereinafter provided be authorized in substantially the form of the Draft Preliminary Official Statement, the final forms thereof to be approved by the Chairman at any time at or prior to the issuance of the Series 1992 Bonds.

(H) It is necessary and appropriate that the Issuer appoint a registrar and a paying agent for the Series 1992 Bonds, and the institution hereinafter named is acceptable to the Issuer; and it appears to the Board that the same is qualified to serve as Registrar and Paying Agent for the Series 1992 Bonds in accordance with the terms of the Original Instrument.

(I) In order to carry out the refunding described in the Original Instrument, it is necessary and appropriate that the Issuer authorize the execution and delivery of the Escrow Deposit Agreement between the Issuer and the Escrow Holder.

(J) It is necessary and appropriate that the Issuer appoint an escrow holder to serve as such under the Escrow Deposit Agreement, and the institution hereinafter named is acceptable to the Issuer; and it appears to the Board that the same is qualified to serve as Escrow Holder under the Escrow Deposit Agreement in accordance with the terms of the Escrow Deposit Agreement.

SECTION 4. RATIFICATION OF ACCEPTANCE OF INSURANCE COMMITMENTS. The Issuer hereby ratifies the acceptance of the Insurer's commitments to provide a Bond Insurance Policy and a Reserve Account Insurance Policy with respect to the Series 1992 Bonds.

SECTION 5. AUTHORIZATION OF EXECUTION AND DELIVERY OF RESERVE ACCOUNT INSURANCE POLICY. The Chairman and the Clerk are hereby authorized to execute and deliver the Reserve Account Insurance Policy Agreement in favor of the Insurer, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman and the Clerk prior to the delivery thereof, such necessity and/or desirability and approval by the Chairman and the Clerk to be presumed by their execution and delivery thereof.

SECTION 6. SALE OF THE SERIES 1992 BONDS; AUTHORIZATION OF EXECUTION OF PURCHASE CONTRACT. A negotiated sale of the Series 1992 Bonds is hereby authorized. The Chairman is hereby authorized and directed to award the sale of the Series 1992 Bonds to the Purchaser in an aggregate principal amount which shall not exceed \$12,500,000, at an aggregate purchase price (excluding any original issue discount) of not less than 99% of the original principal amount of such Series 1992 Bonds, as approved by the Chairman (the "Minimum Purchase Price"), and with final terms, as approved by the Chairman, within the following parameters (the "Parameters"): the net average annual savings shall not be less than \$ 20,000 per year; the final maturity of the Series 1992 Bonds shall not be later than October 1, 2010; the Series 1992 Bonds shall be subject to optional redemption no later than October 1, 2001, at a premium of no more than 102% of the principal amount thereof to be redeemed; the cost of issuance shall be comparable to or less than the current average issuance cost for bonds of similar tenor and amount; and the Insurer's commitments to provide a Bond Insurance Policy and a Reserve Account Insurance Policy with respect to the Series 1992 Bonds shall be in effect.

The proposed form of the Purchase Contract presented by the Purchaser is hereby approved, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman prior to the execution and delivery thereof, such necessity and/or desirability and approval by the Chairman to be presumed by the Chairman's execution thereof; the Chairman is hereby authorized to accept the offer of the Purchaser to purchase the Series 1992 Bonds in an aggregate principal amount not to exceed \$12,500,000, at a purchase price of not less than the Minimum Purchase Price plus accrued interest thereon to the date of delivery and with final terms within the Parameters, upon the terms and conditions set forth in the Purchase Contract; and the Chairman is hereby authorized to execute the Purchase Contract for and on behalf of the Issuer pursuant to the terms hereof. Receipt by the Chairman of a report of the Financial Advisor stating that the aggregate purchase price set forth in the Purchase Contract is not less than the Minimum Purchase Price and that the final terms are within the Parameters shall constitute conclusive proof that all of the terms and conditions set forth in this Section 6 have been fully satisfied.

The Series 1992 Bonds shall be in denominations of \$5,000 or integral multiples thereof, shall be dated such dates, shall bear interest at such rates, payable on such dates, mature on such dates, have such Amortization Installments, be redeemable prior to maturity upon such terms and conditions and have such other terms as are set forth in the Purchase Contract and approved by the Chairman, and the authority to approve such matters is hereby expressly delegated to the Chairman, with the Chairman's approval to be conclusively evidenced by the Chairman's execution of any documents including such terms.

Prior to the execution and delivery of the Purchase Contract, the Purchaser shall file with the Chairman the disclosure statement required by Section 218.385(4), Florida Statutes, as amended. The Chairman and the other officers, agents and employees of the Issuer are hereby authorized and directed to conclude the issuance and delivery of the Series 1992 Bonds in accordance with the provisions of the Original Instrument, this resolution and the Purchase Contract.

Authority for the issuance of such aggregate principal amount of the Series 1992 Bonds herein authorized which shall not be hereafter delivered to the Purchaser pursuant to the provisions of the Purchase Contract is hereby canceled and rescinded.

Notwithstanding the foregoing, in the event the Purchase Contract is not executed and delivered by the Issuer and the Purchaser on or before December 31, 1992, the Chairman's authority to award the sale of the Series 1992 Bonds to the Purchaser and to execute the Purchase Contract for and on behalf of the Issuer pursuant to the terms hereof shall be automatically terminated on December 31, 1992.

SECTION 7. APPROVAL OF DRAFT PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZATION OF PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT. The Draft Preliminary Official Statement is hereby approved, and a preliminary official statement and a final official statement in substantially the

form of the Draft Preliminary Official Statement, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman prior to the release thereof, is hereby authorized to be delivered by the Issuer to the Purchaser for distribution prior to or contemporaneously with the issuance and delivery of the Series 1992 Bonds. The Chairman's approval of the preliminary official statement shall be conclusively presumed by the delivery thereof to the Purchaser. The Chairman is hereby authorized to deem the preliminary official statement final as of its date on behalf of the Issuer for purposes of Rule 15c2-12 of the Securities Exchange Commission (except for such omissions permitted by such Rule 15c2-12), and to execute a certificate to that effect to be delivered to the Purchaser. The Chairman is hereby authorized to evidence the Issuer's approval of the final official statement by endorsement thereof upon one or more copies, and approval of all such omissions, insertions and variations shall be conclusively presumed from such endorsement upon any copy of such final official statement. Bond Counsel is hereby directed to furnish to the Division of Bond Finance of the Department of General Services of the State of Florida a copy of the final official statement, a notice of the impending sale of the Series 1992 Bonds and the other information required by Section 218.38, Florida Statutes, as amended, within the appropriate time periods specified by such section.

SECTION 8. REGISTRAR AND PAYING AGENT. The Citizens and Southern National Bank of Florida, a national banking association, Fort. Lauderdale, Florida, is hereby appointed as Registrar and Paying Agent under the Original Instrument, to serve as Registrar and Paying Agent for the Series 1992 Bonds; and the Chairman and the Clerk are hereby authorized to execute and deliver on behalf of the Issuer a registrar and paying agency agreement in a form which shall be approved by the Chairman, such approval to be conclusively presumed by the execution and delivery thereof.

SECTION 9. AUTHORIZATION OF REFUNDING. Effective upon and subject to the execution and delivery of the Escrow Deposit Agreement and the issuance of the Series 1992 Bonds, the Issuer (A) does hereby call all Refunded Obligations maturing after October 1, 1996, for redemption on October 1, 1996, at a redemption price of 102% (expressed as a percentage of the principal amount of the Refunded Obligations to be redeemed), plus accrued interest to the redemption date; and (B) does hereby give irrevocable instructions to First Union National Bank of Florida, St. Petersburg, Florida, the registrar for the Refunded Obligations, to give notice of such call for redemption in the manner provided in the resolution of the Issuer pursuant to which the Refunded Obligations were issued.

SECTION 10. AUTHORIZATION OF EXECUTION AND DELIVERY OF ESCROW DEPOSIT AGREEMENT. The Chairman and the Clerk are hereby authorized to execute and deliver the Escrow Deposit Agreement in favor of the Escrow Holder, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman prior to the delivery thereof, such necessity and/or desirability and approval by the Chairman to be conclusively presumed by the execution and delivery thereof.

SECTION 11. ESCROW HOLDER. The Citizens and Southern National Bank of Florida, a national banking association, Fort. Lauderdale, Florida, is hereby appointed to serve as Escrow Holder under the Escrow Deposit Agreement.

SECTION 12. AUTHORIZATION OF EXECUTION OF OTHER CERTIFICATES AND OTHER INSTRUMENTS. The Chairman and the Clerk are hereby authorized and directed, either alone or jointly, under the official seal of the Issuer, to execute and deliver certificates of the Issuer certifying such facts as the Issuer's attorney, counsel to the Purchaser or Bond Counsel shall require in connection with the issuance, sale and delivery of the Series 1992 Bonds, and to execute and deliver such other instruments as shall be necessary or desirable to perform the Issuer's obligations under this resolution, the Original Instrument and the Purchase Contract and to consummate the transactions contemplated hereby and thereby.


SECTION 13. ORIGINAL INSTRUMENT IN FULL FORCE AND EFFECT. Except as hereby supplemented, the Original Instrument shall remain in full force and effect.

SECTION 14. REPEALING CLAUSE. All resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 15. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 23 day of June, 1992.


BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA



Its Chairman

(OFFICIAL SEAL)

ATTEST:



Its Clerk

I, Carl "Bud" Markel, Clerk of the Board of County Commissioners of St. Johns County, Florida, hereby certify that the foregoing is a true and correct copy of Resolution No. ~~92-104~~ of said County passed and adopted on June 23, 1992.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said County this 24th day of June, 1992.



Clerk, Board of County Commissioners

(OFFICIAL SEAL)

NEW ISSUE

RATINGS: Moody's:
Standard & Poor's:
Fitch:
(FGIC Insured)
See "Ratings" herein

In the opinion of Bond Counsel, under existing law, assuming compliance with certain covenants in the Resolution described herein, interest on the 1992 Bonds is excluded from gross income for federal income tax purposes, and the 1992 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes on interest, income or profits on debt obligations owned by corporations, as defined by Chapter 220, Florida Statutes, as amended. See, however, "TAX MATTERS" herein for a description of certain federal minimum and other special taxes that may affect the tax treatment of interest on the 1992 Bonds.

\$ _____,000,000*
ST. JOHNS COUNTY, FLORIDA
Transportation Improvement Revenue Refunding Bonds
Series 1992

Dated: Current Interest Bonds: _____ 1, 1992 Due: October 1, as shown below
Capital Appreciation Bonds: Date of Delivery

The Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "1992 Bonds") are being issued by St. Johns County, Florida (the "County"), as fully registered bonds in denominations of \$5,000 and integral multiples thereof in the case of the 1992 Bonds other than the Capital Appreciation Bonds so designated below, and as fully registered bonds in the denominations per \$5,000 value at maturity or any integral multiple thereof as indicated below in the case of Capital Appreciation Bonds. Interest (first payment due October 1, 1992 and on each April 1 and October 1 thereafter) on the 1992 Bonds other than the Capital Appreciation Bonds will be payable by check or draft of The Citizens and Southern National Bank of Florida, Ft. Lauderdale, Florida, as Registrar and Paying Agent or, at the option of the Paying Agent, and at the request and expense of any registered owner, by bank wire transfer for the account of such owner. Principal of the 1992 Bonds and all accumulated interest on the Capital Appreciation Bonds are payable to the registered owner upon presentation, when due, at the corporate trust office of the Paying Agent.

The 1992 Bonds are subject to redemption prior to their stated maturities as described herein.

The 1992 Bonds are being issued to provide funds to (i) advance refund the County's outstanding Transportation Improvement Revenue Bonds, Series 1988 and (ii) pay the cost of issuance with respect to the 1992 Bonds.

The 1992 Bonds are special obligations of the County payable solely from and secured by a pledge of and prior lien upon the County's portion of the six-cent local option gas tax distributed to the County and the municipalities of the County by the Florida Department of Revenue from the State Local Option Gas Tax Trust Fund and, until applied in accordance with the provisions of the Resolution, the proceeds of the 1992 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. **Neither the full faith and credit, nor the taxing power of the County, the State of Florida, nor any political subdivision thereof, is pledged for the payment of the 1992 Bonds or the interest thereon. The 1992 Bonds shall not constitute general obligations or indebtedness of the County within the meaning of any constitutional or statutory provision.**

The payment of the principal of and interest on the 1992 Bonds when due will be insured by a municipal bond insurance policy to be issued by Financial Guaranty Insurance Company simultaneously with the delivery of the 1992 Bonds.

[FGIC LOGO]

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS*
\$ _____,000,000 Current Interest Serial Bonds

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>Maturity</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
	\$	%	%		\$	%	%

\$ _____,000,000 ____% Term Bonds due October 1, 200____-Price ____%
\$ _____,000,000 ____% Term Bonds due October 1, 200____-Price ____%

(Plus Accrued Interest)

\$ __,000,000 Capital Appreciation Bonds

<u>Maturity October 1,</u>	<u>Total Principal Amount</u>	<u>Payment at Maturity</u>	<u>Price (% of Maturity Value)</u>	<u>Yield</u>	<u>Maturity October 1,</u>	<u>Total Principal Amount</u>	<u>Payment at Maturity</u>	<u>Price (% of Maturity Value)</u>	<u>Yield</u>
	\$	\$	%	%		\$	\$	%	%

The 1992 Bonds are offered when, as and if issued and received by the Underwriter, subject to the unqualified approval of legality by Foley & Lardner, Jacksonville, Florida, Bond Counsel. Certain legal matters will be passed upon for the County by James G. Sisco, Esquire, St. Augustine, Florida, Attorney for the County and for the Underwriter by its counsel, Rogers, Towers, Bailey, Jones & Gay, Jacksonville, Florida. It is expected that the 1992 Bonds in definitive form will be available for delivery in New York, New York on or about _____, 1992.

William R. Hough & Co.

_____, 1992

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

ST. JOHNS COUNTY, FLORIDA

MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS

**Fred Brinkhoff, Chairman
Sarah W. Bailey
Craig A. Maguire
Moses (Coach) Floyd
Linda Balsavage
Donald H. Herold
Allan Roberts**

COUNTY ADMINISTRATOR

Nicholas M. Meiszer

COUNTY CLERK

Carl "Bud" Markel

COUNTY FINANCE DIRECTOR

Michael R. Givens, C.P.A.

COUNTY ATTORNEY

James G. Sisco, Esquire

BOND COUNSEL

**Foley & Lardner
Jacksonville, Florida**

FINANCIAL ADVISOR

**Public Financial Management, Inc.
Fort Myers, Florida**

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 1992 Bonds by any persons in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale in such jurisdiction. The information set forth herein has been furnished by the County and includes information obtained from other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create the implication that there has been no change in the affairs of the County since the date hereof.

The 1992 Bonds have not been registered under the Securities Act of 1933 in reliance upon an exemption contained in such Act.

IN CONNECTION WITH THE OFFERING OF THE 1992 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 1992 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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SUMMARY STATEMENT

This Summary Statement, being part of the Official Statement, is subject to the more complete information contained herein and should not be considered to be a complete statement of the facts material to making an investment decision. The offering of the St. Johns County, Florida Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "1992 Bonds") to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this Summary Statement from the Official Statement or to otherwise use it without the entire Official Statement. Unless otherwise defined, all capitalized terms in this Summary Statement shall be as defined in the main text of the Official Statement.

St. Johns County

St. Johns County, Florida (the "County") encompasses approximately 617 square miles and is located in the northeast region of the State of Florida, immediately south of Duval County and Jacksonville, Florida. The largest of the County's four municipalities is St. Augustine, which is the county seat. The estimated 1991 population of the County is 86,118.

Purpose of the 1992 Bonds

The 1992 Bonds are being issued to provide funds to (i) advance refund the County's \$11,355,000 outstanding Transportation Improvement Revenue Bonds, Series 1988 and (ii) pay the cost of issuance with respect to the 1992 Bonds.

Authority and Security for the 1992 Bonds

Authority for the 1992 Bonds. The 1992 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, the Resolution, and other applicable provisions of law.

Source of Payment. The 1992 Bonds are special obligations of the County payable solely from and secured by a pledge of and prior lien upon the Pledged Funds. Pledged Funds mean the County's portion of the six-cent local option gas tax distributed to the County and the municipalities of the County by the Florida Department of Revenue from the State Local Option Gas Tax Trust Fund pursuant to and in the manner authorized by Section 336.025, Florida Statutes, as amended, and, until applied in accordance with the provisions of the Resolution, the proceeds of the 1992 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.

Additional Bonds. The County may issue Additional Bonds payable from the Pledged Funds on a parity with the 1992 Bonds if the

County first complies with certain requirements set out in the Resolution.

No Pledge of Credit or Taxing Power. The 1992 Bonds shall not be or constitute general obligations or indebtedness of the County as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the County, payable solely from and secured by a lien upon and pledge of the Pledged Funds in accordance with the terms of the Resolution. No owner of any 1992 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the County, the State of Florida or any political subdivision thereof to pay the principal of or premium, if any, or interest on the 1992 Bond from any moneys of the County except from the Pledged Funds in the manner provided in the Resolution.

Municipal Bond Insurance. The payment of the principal of and interest on the 1992 Bonds when due will be insured by a municipal bond insurance policy to be issued by Financial Guaranty Insurance Company simultaneously with the delivery of the 1992 Bonds.

OFFICIAL STATEMENT
Relating to
\$ __,000,000*
ST. JOHNS COUNTY, FLORIDA
Transportation Improvement Revenue Refunding Bonds
Series 1992

_____, 1992

INTRODUCTION

The purpose of this Official Statement, including the cover page, summary statement, and appendices, is to provide information concerning the proposed issuance by St. Johns County, Florida (the "County") of \$ __,000,000* aggregate principal amount of the County's Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "1992 Bonds"). The 1992 Bonds are issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, Resolution 92-_____ of the County duly adopted on _____, 1992, (as supplemented, the "Resolution"), and other applicable provisions of law. See Appendix C hereto for pertinent provisions of the Resolution.

The County encompasses approximately 617 square miles and is located in the northeast region of the State, immediately south of Duval County and Jacksonville, Florida. The largest of the County's four municipalities is St. Augustine, which is the county seat. The estimated 1991 population of the County is 86,118.

For a complete description of the terms and conditions of the 1992 Bonds, reference is made to the Resolution. Capitalized terms used herein and not defined are used as defined in the Resolution; such definitions may be found in Appendix C hereto. The description of the 1992 Bonds and of the documents authorizing and securing the same and the description of other debt of the County do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each. All information included herein has been provided by the County except where attributed to other sources. Copies of documents not contained in this Official Statement and further information which may be desired may be obtained from the County's finance director, Mr. Michael R. Givens, C.P.A., St. Johns County Administration Building, 4020 Lewis Speedway, St. Augustine, Florida 32095, telephone (904) 823-2415,

* Preliminary; subject to change.

or from Public Financial Management, Inc., 5900 Enterprise Parkway, Ft. Myers, Florida 33905, telephone (813) 693-7117.

PURPOSE OF THE 1992 BONDS

The 1992 Bonds are being issued to provide funds to (i) advance refund the County's \$11,355,000 outstanding St. Johns County, Florida Transportation Improvement Revenue Bonds, Series 1988 (the "Refunded Bonds") and (ii) pay the cost of issuance with respect to the 1992 Bonds.

REFUNDING PLAN

A portion of the proceeds of the 1992 Bonds will be used to provide the moneys needed to effect the defeasance of the Refunded Bonds. Upon issuance of the 1992 Bonds, the County will enter into an Escrow Deposit Agreement with The Citizens and Southern National Bank of Florida, Ft. Lauderdale, Florida as escrow agent (the "Escrow Agent"), providing, among other things, for the deposit of a portion of the proceeds from the sale of the 1992 Bonds and other moneys specified therein with the Escrow Agent. Such amounts shall be invested by the Escrow Agent in direct obligations of the United States of America, none of which permit redemption prior to maturity at the option of the obligor (the "Federal Securities"), in an amount which will be sufficient to pay the principal (including mandatory sinking fund installments) or redemption price of and interest on the Refunded Bonds as the same shall become due or called for redemption. Upon issuance of the 1992 Bonds, irrevocable instructions will be given to the Escrow Agent to give timely notice of redemption of the Refunded Bonds. The County will call the Refunded Bonds for redemption on October 1, 1996.

By deposit of the Federal Securities with the Escrow Agent pursuant to the Escrow Deposit Agreement, the County (in the opinion of Bond Counsel based upon schedules prepared by William R. Hough & Co. and rendered in reliance upon the report of Deloitte & Touche described under the heading VERIFICATION OF MATHEMATICAL COMPUTATIONS) will have effected the defeasance of the Refunded Bonds. As a result of such refunding, it is the opinion of Bond Counsel that the lien of the Refunded Bonds on the funds pledged therefor, together with all other obligations of the County to the owners of the Refunded Bonds under the resolution pursuant to which the Refunded Bonds were issued will be defeased.

The maturing principal of and interest on the Federal Securities held under the Escrow Deposit Agreement will not be available to pay debt service on the 1992 Bonds.

DESCRIPTION OF THE 1992 BONDS

General

The 1992 Bonds shall be dated as set forth on the cover page of this Official Statement and, except for the Capital Appreciation Bonds, are being issued as fully registered bonds without coupons in denominations of \$5,000 and integral multiples thereof. The Capital Appreciation Bonds are being issued as fully registered bonds in the denomination per \$5,000 value at maturity, or integral multiples thereof, as set out in the Table of Accreted Values in Appendix E herein. Interest on the 1992 Bonds other than the Capital Appreciation Bonds (first payment due October 1, 1992 and semiannually on each April 1 and October 1 thereafter) will be payable by check or draft of The Citizens and Southern National Bank of Florida, Ft. Lauderdale, Florida, as Registrar and Paying Agent, mailed or, at the option of the Paying Agent, and at the request and expense of any registered owner, by bank wire transfer, to the registered owner, as shown on the registration books of the Registrar on the 15th day of the month prior to each interest payment date. Interest on the 1992 Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months. Principal of and premium, if any, on the 1992 Bonds and all accumulated interest on the Capital Appreciation Bonds are payable at maturity or redemption to the registered owner upon presentation, when due or when called for redemption, at the corporate trust office of the Paying Agent in Jacksonville, Florida.

Optional Redemption

The 1992 Bonds maturing October 1 of the years _____ through _____, and _____ through _____, inclusive, are not subject to redemption prior to maturity. The 1992 Bonds maturing October 1, _____, through October 1, _____ are redeemable, at the option of the County, in part, by such method as the Registrar shall deem fair and appropriate, within a maturity if less than an entire maturity is to be redeemed, on October 1, _____ or on any interest payment date thereafter, or as a whole on October 1, _____ or at any time thereafter, at the following redemption prices (expressed as percentages of the principal amount (or, in the case of Capital Appreciation Bonds, the Accreted Value thereof) to be redeemed) set forth below, plus accrued interest to the redemption date:

<u>Redemption Periods</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Prices</u>
October 1, _____ to September 30, _____	%
October 1, _____ to September 30, _____	
October 1, _____ to September 30, _____	
October 1, _____ and thereafter	

Mandatory Redemption

The 1992 Bonds maturing October 1, _____ are subject to mandatory redemption prior to maturity by such method as the Registrar shall deem fair and appropriate at a redemption price equal to the following Amortization Installment thereof and accrued interest thereon to the date fixed for redemption, without premium, from amounts on deposit in the Bond Amortization Account as follows:

<u>October 1,</u>	<u>Amortization Installment</u>
	\$

The 1992 Bonds maturing October 1, _____ are subject to mandatory redemption prior to maturity by such method as the Registrar shall deem fair and appropriate at a redemption price equal to the following Amortization Installment thereof and accrued interest thereon to the date fixed for redemption, without premium, from amounts on deposit in the Bond Amortization Account as follows:

<u>October 1,</u>	<u>Amortization Installment</u>
	\$

Notice of Redemption

Notice of Redemption of the 1992 Bonds shall be mailed, postage prepaid, by first class mail by the Registrar not less than thirty (30) days nor more than sixty (60) days before the date fixed for redemption to the registered owners of any 1992 Bonds or portions of 1992 Bonds which are to be redeemed, at their addresses as they appear on the registration books kept by the Registrar or at such other address as such owner shall have furnished in writing to the Registrar. No defect in any notice of redemption or failure to give such notice to any owner of 1992 Bonds or failure of any owner to receive such notice shall in any manner defeat the effectiveness of a call for redemption as to all other owners of 1992 Bonds to be redeemed.

Accreted Value

For the purpose of determining the Accreted Value of Capital Appreciation Bonds as of any date of computation, such value shall be an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the April 1 or October 1 next preceding the date of computation or the date of computation if an April 1 or October 1, such interest to accrue at the stated 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 April 1 or October 1, a portion of the difference between the Accreted Value as of the immediately preceding April 1 or October 1 and the Accreted Value as of the immediately succeeding April 1 or October 1, 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. The Accreted Value for each Capital Appreciation Bond on each April 1 and October 1 will be as set forth in the Table of Accreted Values in Appendix E herein.

AUTHORITY AND SECURITY FOR THE 1992 Bonds

The 1992 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, the Resolution, and other applicable provisions of law.

Source of Payment

The 1992 Bonds are special obligations of the County secured equally and ratably by a pledge of and prior lien upon the Pledged Funds; provided, however, that a Series of Bonds may be further secured by a Credit Facility or Bond Insurance Policy not applicable to any one or more other Series of Bonds, as further provided in the Resolution. Pledged Funds mean the County's portion of the six-cent local option gas tax distributed to the County and the municipalities of the County by the Florida Department of Revenue from the State Local Option Gas Tax Trust Fund (the "Gas Tax Fund") pursuant to and in the manner authorized by Section 336.025, Florida Statutes, as amended (the "Gas Tax Revenues"), and, until applied in accordance with the provisions of the Resolution, the proceeds of the 1992 Bonds and all moneys, including investments thereof, in the Restricted Revenue Account and the Debt Service Fund, all in the manner and to the extent described in the Resolution.

Gas Tax Revenues. In 1983, the State enacted legislation, codified at Section 336.025, Florida Statutes, authorizing counties and eligible municipalities to impose for a period of not to exceed five years a local option gas tax of up to four cents upon every gallon of motor fuel and special fuel sold in such county or municipality and taxed under Chapter 206, Florida Statutes. In 1985, the State amended Section 336.025, Florida Statutes, to allow counties and eligible municipalities to extend the term of the local option gas tax to thirty years and to impose an additional tax of up to two cents. It also restricted the revenues that could be pledged to just the third, fourth, fifth and sixth cents of the local option gas tax. In 1986, the State enacted legislation further amending Section 336.025, Florida Statutes, by permitting

Counties and eligible municipalities to pledge the revenues of the first and second cents of the local option gas tax, in addition to the third, fourth, fifth, and sixth cents of such tax.

According to the Florida Department of Revenue, sixty-five of Florida's sixty-seven counties have enacted the local option gas tax. All of the counties contiguous to the County have adopted a local option gas tax at the rate of six cents per gallon.

Since September 1, 1985, the County has imposed the local option gas tax. On July 8, 1986, the County enacted Ordinance Number 86-61, which imposed a six-cent tax upon motor fuel and special fuel for a period of thirty years, commencing September 1, 1986. An Interlocal Agreement dated June 10, 1986 (the "Interlocal Agreement") between the County and the City of St. Augustine, representing a majority of the population of the incorporated area of the County, provides for the distribution of the local option gas tax collected within the County. The Interlocal Agreement became effective as of September 1, 1986.

The terms of the Interlocal Agreement provide for a division of the local option gas tax collected in the County for an initial five-year period effective September 1, 1986, as follows:

<u>Local Governmental Unit</u>	<u>Share of Proceeds</u>
City of St. Augustine	19 %
City of St. Augustine Beach	4
Town of Hastings	1
St. Johns County	76

The division of the local option gas tax initially established by the Interlocal Agreement reflects the percentage (rounded to the nearest whole number) of the population of each separate governmental unit (with the County population being computed as those persons who live in the unincorporated areas of the County) when compared to the total population of the County. The population figures used to compute the percentages were derived from information contained in the document referred to as the Florida Estimates of Population, published on an annual basis by the Bureau of Economic and Business Research, Population Division, University of Florida.

The Interlocal Agreement provides that the division of the local option gas tax collected in the County is to be adjusted for each succeeding five-year period during which the Interlocal Agreement is in effect. The adjustment is to be based on the then-current population figures published by the Bureau of Economic and Business Research, Population Division, University of Florida. The adjustment is to be determined as of September 1 of the first year of each succeeding five-year period during which the Interlocal

Agreement is in effect. The State Department of Revenue would begin using the adjusted amounts as of the succeeding July 1. The County has notified the City of St. Augustine and the State Department of Revenue that the County's share of the proceeds of the local option gas tax collected in the County should be increased to 81% and the City of St. Augustine's share reduced to 14%. This change should take effect July 1, 1992 and be implemented October 1, 1992.

Depending on the relative growth of the various governmental units within the County, it is possible that local option gas tax may be reallocated pursuant to the terms of the Interlocal Agreement such that the amount distributed to the County would be insufficient to pay in full the principal of and interest on the Bonds as such becomes due. Based upon the recent population figures, the County's expectations relating to future development and the potential for future incorporation or annexation of presently unincorporated areas of the County, the County does not believe that its share of the local option gas tax would be materially adversely affected. If there were a newly incorporated municipality in the County, Section 336.025, Florida Statutes, provides that the distribution of the local option gas tax shall not under any circumstances materially or adversely affect the rights of owners of outstanding bonds backed by such tax, and amounts distributed to the County government shall not be reduced below the amount necessary for the payment of principal and interest and reserves for principal and interest as required by any bond resolution outstanding on the date of such redistribution.

"Motor fuel" is statutorily defined as gasoline and fuels containing a mixture of gasoline and other products, but excludes alternative fuel. "Special fuel" is statutorily defined as diesel fuel, alcohol, or any liquid product or combination thereof (except kerosene) used to propel any diesel engine. Kerosene or kerosene compounded or mixed with any product suitable for use in a diesel engine is a "special fuel." The State Department of Revenue collects and deposits the tax into the Gas Tax Fund. Moneys in the Gas Tax Fund are distributed monthly to the County and eligible municipalities within the County. Disbursements from the Gas Tax Fund may be used only for transportation expenditures (as defined by State law).

Upon payment to the State of the local option gas tax by persons in the County licensed under Part I or Part II of Chapter 206, Florida Statutes, who use motor fuel or special fuel, or who engage in selling motor fuel or special fuel at retail, such persons may deduct from the amount of tax payable an amount equivalent to 3% of such tax for amounts less than \$1,000 and 1% for amounts due in excess of \$1,000, as an allowance for services and expenses in complying with the law. Exemptions from the payment of motor fuel taxes are allowed for motor fuel used for

agricultural or commercial fishing purposes and certain sales to the United States and its agencies.

Historical Sales in the County

<u>State Fiscal Year Ended June 30,</u>	<u>Gasoline</u>	<u>Special Fuel</u>	<u>Total Gallons</u>
1987	46,503,872	14,405,844	60,909,716
1988	47,325,529	12,897,195	60,222,724
1989	50,856,741	13,474,942	64,331,683
1990	49,978,260	12,129,353	62,107,613
1991	49,411,256	11,125,568	60,536,824

Source: State of Florida, Department of Revenue, Office of Tax Research.

The following is information concerning historical monthly Gas Tax Revenues received by the County since January, 1987.

	<u>Historical Monthly Local Option Gas Tax Revenues</u>				
	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
January	\$ 197,389	\$ 276,871	\$ 212,067	\$ 208,886	\$ 196,574
February	186,465	208,078	225,076	234,550	210,078
March	143,580	181,742	240,837	203,659	204,041
April	224,664	191,523	272,219	162,523	182,321
May	279,441	181,545	295,919	228,488	208,980
June	245,147	211,457	233,519	218,424	205,501
July	228,072	201,952	222,515	216,370	204,775
August	199,562	209,091	237,703	210,437	192,591
September	207,652	203,724	220,394	198,879	246,004
October	135,541	231,392	212,083	227,773	230,585
November	135,233	239,969	203,709	217,647	230,739
December	<u>131,526</u>	<u>220,751</u>	<u>206,086</u>	<u>223,103</u>	<u>205,298</u>
Total	\$2,314,272	\$2,558,095	\$2,782,127	\$2,550,739	\$2,517,487

Source: St. Johns County, Florida

The Florida Department of Revenue remits the local option gas tax to the counties in an amount equal to its estimate of current collections. Periodically, the monthly remittances are adjusted to reflect actual motor fuel and special fuel sales.

Florida law provides that only those municipalities and counties eligible for participation in the distribution on moneys under Part II of Chapter 218, Florida Statutes (the "Florida Revenue Sharing Act") and Part VI of Chapter 218, Florida Statutes (relating to participation in half-cent sales tax proceeds and which essentially requires compliance with the Florida Revenue Sharing Act for participation) are eligible to receive the local option gas tax. The Florida Revenue Sharing Act provides, in effect, that local governments shall be eligible to receive distributions thereunder only if they comply with certain statutory

requirements concerning financial reporting and auditing and levying of taxes and raising of revenues as well as certifying compliance with statutes governing the employment of law enforcement officers and fire fighters. The County covenants in the Resolution to maintain its eligibility for receipt of the local option gas tax.

Reserve Account

The Resolution requires the establishment and maintenance of a Reserve Account. The Resolution requires the Reserve Account to be funded and maintained in an amount equal to the Reserve Account Requirement for the benefit of the owners of the Bonds. Upon delivery of the 1992 Bonds, there will be deposited in the Reserve Account a Reserve Account Insurance Policy issued by Financial Guaranty Insurance Company (the "Insurer") in accordance with the provisions of the Resolution which shall be in an amount equal to the Reserve Account Requirement. Such Reserve Account Insurance Policy terminates on October 1, 2007. No further payments are required to be made into the Reserve Account as long as the amount on deposit therein shall equal the Reserve Account Requirement for the Bonds outstanding. Upon the issuance of Additional Bonds, the County is required by the Resolution to provide for the additional funding of the Reserve Account in the manner described in the Resolution. The Reserve Account Requirement means, as of any date of calculation, an amount equal to the lesser of (i) the Maximum Debt Service Requirement, (ii) 125% of the average annual Debt Service Requirement, or (iii) 10% of the proceeds of all outstanding Bonds.

Additional Bonds

Additional Bonds, payable from the Pledged Funds on a parity with the 1992 Bonds and all other Bonds may be issued for the purpose of projects which may be financed with Gas Tax Revenues, or the completion of any such projects, or refunding any or all Outstanding Bonds. No Additional Bonds may be issued unless the requirements of the Resolution have been met. See Section 5.02 of the Resolution in Appendix C hereof.

No Pledge of Credit or Taxing Power

The 1992 Bonds shall not be or constitute general obligations or indebtedness of the County as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the County, payable solely from and secured by a prior lien upon and pledge of the Pledged Funds in accordance with the terms of the Resolution. No owner of any 1992 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the County, the State of Florida or any political subdivision thereof to pay the principal of or premium, if any, or interest on the 1992 Bond from any monies of the County except from the Pledged Funds in the manner provided in the Resolution.

Other Covenants

The County has covenanted in the Resolution to keep books and records of the Pledged Funds in accordance with generally accepted accounting principles. Within 180 days of the close of each Fiscal Year it must file a statement concerning the amount of the Gas Tax Revenues received, the total amounts deposited to the credit of each fund and account created under the Resolution and the amounts on deposit in such funds and accounts, and other matters as provided in the Resolution. An annual audit by an independent firm of certified public accountants is required of the financial statements of the County.

The County also covenants to do all things necessary on its part to continue the levy and collection of the Gas Tax Revenues in compliance with Chapter 336.025, Florida Statutes, as amended, and any other successor provision of law. The County further covenants to take every necessary action to remain qualified to receive distribution of the Gas Tax Revenues. The Resolution provides that the County will take all actions legally available to it to increase or maximize its entitlement to the Gas Tax Revenues under the Interlocal Agreement. Other than as set forth in the Interlocal Agreement, the County will not take any action or enter into any agreement that will result in reducing the level of Gas Tax Revenues distributed to the County from that prevailing at the time the County takes such action or enters into such agreement.

MUNICIPAL BOND INSURANCE

Concurrently with the issuance of the 1992 Bonds, the Insurer will issue its Municipal Bond New Issue Insurance Policy for the 1992 Bonds (the "Policy"). A specimen of the Policy is contained herein as Appendix F. The information under this heading has been provided by the Insurer.

The Policy unconditionally guarantees the payment of that portion of the principal (or the Accreted Value in the case of Capital Appreciation Bonds) of and interest on the 1992 Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the County. The Insurer 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 (or the Accreted Value in the case of Capital Appreciation Bonds) and interest is due or on the business day next following the day on which the Insurer shall have received telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from an owner of 1992 Bonds or the Paying Agent of the nonpayment of such amount by the County. The Fiscal Agent will disburse such amount due on any 1992 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 (or the Accreted Value in the case of Capital Appreciation Bonds) 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 (or the Accreted Value in the case of Capital Appreciation Bonds) and interest shall be vested in the Insurer. The term "nonpayment" in respect of a 1992 Bond includes any payment of principal (or the Accreted Value in the case of Capital Appreciation Bonds) or interest made to an owner of a 1992 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-cancelable and the premium will be fully paid at the time of delivery of the 1992 Bonds. The Policy covers failure to pay principal (or the Accreted Value in the case of Capital Appreciation Bonds) of the 1992 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 1992 Bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

Generally, in connection with its insurance of an issue of municipal securities, the Insurer requires, among other things, (i) that it be granted the power to exercise any rights granted to the holders of such securities upon the occurrence of an event of default, without the consent of such holders, and that such holders may not exercise such rights without the Insurer's consent, in each case so long as the Insurer has not failed to comply with its payment obligations under its insurance policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to the Insurer's consent. The specific rights, if any, granted to the Insurer in connection with its

insurance of the 1992 Bonds are set forth in the description of the principal legal documents appearing elsewhere in this Official Statement. Reference should be made as well to such description for a discussion of the circumstances, if any, under which the issuer of the 1992 Bonds is required to provide additional or substitute credit enhancement, and related matters.

This Official Statement contains a section regarding the ratings assigned to the 1992 Bonds and references should be made to such section for a discussion of such ratings and the basis for their assignment to the 1992 Bonds. Reference should be made to the description of the County for a discussion of the ratings, if any, assigned to such entity's outstanding parity debt that is not secured by credit enhancement.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

The Insurer 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 the Insurer. The Insurer is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of December 31, 1991, the total capital and surplus of the Insurer was approximately \$549,000,000. The Insurer prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 175 Water Street, New York, New York, 10038, Attention: Communications Department (telephone number: (212)607-3000) or to the New York State Insurance Department at 160 West Broadway, 18th Floor, New York, New York 10013, Attention: Property Companies Bureau (telephone number (212)602-0389).

SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 1992 Bonds, together with other moneys of the County, are expected to be applied as described below:

Sources:

Principal Amount of 1992 Bonds	\$
Less: Original Issue Discount	()
Accrued Interest on the 1992 Bonds	
Sinking Fund for the Refunded Bonds	_____
Total Sources:	\$ _____

Uses:

Deposit with Escrow Agent	
Deposit to Interest Account	
Underwriter's Discount	
Cost of Issuance (including bond insurance premium)	
Total Uses:	\$ _____

DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the 1992 Bonds.

<u>Bond Year Ending October 1,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
1992	\$	\$	\$
1993			
1994			
1995			
1996			
1997			
1998			
1999			
2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
Totals	\$ _____	\$ _____	\$ _____

LEGAL MATTERS

Certain legal matters in connection with the authorization, issuance and sale of the 1992 Bonds are subject to the approval of Foley & Lardner, Jacksonville, Florida, Bond Counsel, the form of whose approving opinion is attached hereto as Appendix D. Certain legal matters will be passed upon for the County by James G. Sisco, Esquire, St. Augustine, Florida, County Attorney, and for the Underwriter by its counsel, Rogers, Towers, Bailey, Jones & Gay, Jacksonville, Florida.

LITIGATION

In the opinion of the County Attorney, there are no legal proceedings pending or threatened which materially affect the County's ability to perform its obligations to the owners of the 1992 Bonds. Further, in his opinion, there is no litigation or controversy of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the 1992 Bonds or in any contesting the validity of the 1992 Bonds or any proceedings of the County taken with respect to the authorization, sale, or issuance of the 1992 Bonds or the pledge or application of any moneys provided for the payment of the 1992 Bonds.

TAX MATTERS

Federal Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the 1992 Bonds, including investment restrictions, a requirement of periodic payments of arbitrage profits to the United States, requirements regarding the use of bond proceeds and the facilities financed therewith, and certain other matters. The County has covenanted to use its best efforts to comply with all requirements of the Code that must be satisfied in order for the interest on the 1992 Bonds to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the 1992 Bonds to be included in gross income retroactive to the date of issuance of the 1992 Bonds.

Subject to the condition that the County comply with the pertinent requirements of the Code, under existing law, in the opinion of Bond Counsel, interest on the 1992 Bonds will be excluded from the gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Reference is made to a proposed form of the Bond Counsel opinion attached hereto as Appendix D for the complete text thereof.

In rendering the opinion, Bond Counsel will rely upon certificates of the County with respect to certain material facts relating to the property refinanced with the proceeds of the 1992 Bonds and the application of the proceeds of the 1992 Bonds.

The Code contains numerous provisions which could affect the economic value of the 1992 Bonds to certain owners of the 1992 Bonds. The following is a brief summary of some of the significant provisions that may be applicable to particular owners of the 1992 Bonds. Prospective owners of the 1992 Bonds, however, should consult their own tax advisors with respect to the impact of such provision on their own tax situations.

The 1992 Bonds will not be "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. Interest on indebtedness incurred or continued to purchase or carry the 1992 Bonds or, in the case of banks and certain other financial institutions, interest expense allocable to interest on the 1992 Bonds, will not be deductible for federal income tax purposes.

Insurance companies (other than life insurance companies) are required for taxable years beginning after 1986 to reduce the amount of their deductible underwriting losses by 15% of the amount of tax-exempt interest received or accrued on certain obligations, including the 1992 Bonds, acquired after August 7, 1986. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income. Life insurance companies are subject to similar provisions under which taxable income is increased by reason of receipt or accrual of tax-exempt interest, such as interest on the 1992 Bonds.

Interest on the 1992 Bonds must be included in the "adjusted current earnings" of corporations (other than S corporations, regulated investment companies, real estate investment trusts, and REMICs), and the alternative minimum taxable income of such corporations must be increased by 75% of the excess of adjusted current earnings over alternative minimum taxable income (determined with regard to this adjustment and prior to reduction of certain net operating losses).

An environmental tax is imposed on corporations (other than S corporations, regulated investment companies, real estate investment trusts, and REMICs) by Section 59A of the Code. The environmental tax is effective for taxable years beginning after 1988, and before 1996. The amount of the environmental tax is equal to 0.12% of the excess of the alternative minimum taxable income (determined without regard to net operating losses and the deduction for the environmental tax) over \$2 million. The environmental tax may be imposed even if the corporation pays no alternative minimum tax because the corporation's regular income tax liability exceeds its alternative minimum tax liability. For purposes of the environmental tax, alternative minimum taxable

income includes interest on tax-exempt obligations, such as the 1992 Bonds, to the same extent and in the same manner as such interest is included in alternative minimum taxable income as described in the preceding paragraph.

Certain recipients of social security benefits and railroad retirement benefits are required to include a portion of such benefits in gross income by reason of the receipt or accrual of interest on tax-exempt obligations, such as the 1992 Bonds.

For foreign corporations that operate branches in the United States, Section 884 of the Code imposes a branch level tax on certain earnings and profits in the tax years beginning after 1986. Interest on tax-exempt obligations, such as the 1992 Bonds, may be included in the determination of such domestic branches' taxable base on which this tax is imposed.

Passive investment income, including interest on the 1992 Bonds, may be subject to federal income taxation under Section 1375 of the Code for S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of the S corporation consists of passive investment income.

Original Issue Discount

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of the 1992 Bonds, including the Capital Appreciation Bonds, to the extent properly allocable to each owner of such 1992 Bond, is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such 1992 Bonds is or would be excluded from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of such 1992 Bonds, which price equals the Accreted Value of such Capital Appreciation Bonds, over the initial offering price to the public at which price a substantial amount of such 1992 Bonds were sold (the "Issue Price").

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound interest basis. The amount of original issue discount that accrues to an owner of a 1992 Bond during any accrual period generally equals (a) the issue price of such 1992 Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (b) the yield to maturity of such 1992 Bond (determined on the basis of compounding at the close of each accrual period) less (c) any interest payable on such 1992 Bond during such accrual period.

The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably

on each day of the accrual period, and will increase the owner's tax basis in such 1992 Bond. The adjusted tax basis in a 1992 Bond will be used to determine taxable gain or loss upon a disposition (e.g., sale, exchange, redemption, or payment at maturity) of such 1992 Bond.

Owners of 1992 Bonds who did not purchase such 1992 Bonds in the initial offering at the Issue Price should consult their own tax advisors with respect to the tax consequences of owning such 1992 Bonds.

Owners of such 1992 Bonds should consult their own tax advisors with respect to state and local tax consequences of the 1992 Bonds. It is possible that under the applicable provisions governing the determination of state and local income taxes, accrued original issue discount on the 1992 Bonds may be deemed to be received in the year of accrual, even though there will not be a corresponding cash payment until a later year.

Proposed Federal Income Tax Legislation

Legislation has been introduced in the United States Congress that, if enacted, would require all taxpayers (other than corporations) to reduce their total itemized deductions by the ratio of (i) the amount of interest received or accrued by the taxpayer on tax-exempt bonds (such as the 1992 Bonds), regardless of when such bonds are issued, to (ii) the sum of such interest and the taxpayer's adjusted gross income. In addition, if this legislation is enacted, any interest expense incurred by corporations (other than S corporations or insurance companies) that is allocable to interest on tax-exempt bonds issued after the date of enactment of the legislation would generally not be deductible for federal income tax purposes. Moreover, insurance companies (other than life insurance companies) would be required to reduce the amount of their otherwise deductible losses by the policyholders' share (rather than by 15%, as under existing law) of any interest received or accrued on any tax-exempt bonds (such as the 1992 Bonds) acquired after the date of enactment of the legislation.

This legislation is proposed to be effective for taxable years beginning after the date of its enactment. Whether this legislation will be enacted (or, if enacted, whether the effective date of such legislation would be as is currently proposed), or whether other federal income tax legislation that could affect the economic value of the 1992 Bonds will be enacted, is not known.

Florida Tax Matters

It is also the opinion of Bond Counsel that, under existing law, the 1992 Bonds and the interest thereon are exempt from taxation under the laws of the State, except as to estate taxes and taxes on interest, income or profits on debt obligations owned by corporations, as defined by Chapter 220, Florida Statutes, as amended.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of (i) the mathematical computation of the adequacy of the cash and the Federal Securities to be held under the Escrow Deposit Agreement to pay, when due or when called for redemption, the principal of, premium and interest on the Refunded Bonds and (ii) the mathematical computations supporting the conclusion that the 1992 Bonds are not "arbitrage bonds" under Section 148 of the Code will be verified for the County by Deloitte and Touche. Such verification of mathematical accuracy and mathematical computations will be based upon information supplied by William R. Hough & Co.

RATINGS

Fitch Investors Service, Inc., Moody's Investors Service and Standard & Poor's Corporation have assigned ratings of "___," "___" and "___," respectively, to the 1992 Bonds, with the understanding that upon delivery of the 1992 Bonds, the Policy will be issued by the Insurer. Such ratings reflect the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Investors Service, Inc., One State Street Plaza, New York, New York 10004; Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; Standard & Poor's Corporation, 25 Broadway, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price of the 1992 Bonds.

UNDERWRITING

William R. Hough & Co., (the "Underwriter") has agreed, subject to certain customary conditions to closing, to purchase the 1992 Bonds from the County at par plus accrued interest less an

aggregate underwriting discount of \$_____ and an original issue discount of \$_____. The Underwriter will be obligated to purchase all of the 1992 Bonds if any such 1992 Bonds are purchased. The public offering prices may be changed, from time to time, by the Underwriter.

FINANCIAL ADVISOR

The County has retained Public Financial Management, Inc., Fort Myers, Florida, as Financial Advisor (the "Financial Advisor") in connection with preparation of the County's plan of financing and with respect to the authorization and issuance of the 1992 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement. Public Financial Management, Inc. is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading of municipal securities or any other negotiable instruments. Public Financial Management, Inc. is a wholly-owned subsidiary of Marine Midland Bank, N.A.

ANNUAL FINANCIAL REPORT

The Component Unit Financial Statements of the Board of County Commissioners of the County for the Fiscal Year ended September 30, 1991, reproduced herein as Appendix B, are integral parts of this Official Statement. Copies of the Financial Statements and the report of the auditors are available from the Finance Director upon request. The security for the 1992 Bonds is limited to the Pledged Funds as described under "AUTHORITY AND SECURITY FOR THE 1992 Bonds."

MISCELLANEOUS

All information included herein has been provided by the County, except where attributed to other sources. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. The information herein has been compiled from official and other sources and, while not guaranteed by the County, is believed to be correct. So far as any statements made in the Official Statement and the Appendices attached hereto involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

Section 517.051, Florida Statutes provides for the exemption from registration of certain government securities, such as the 1992 Bonds, provided that, if the issuer thereof has been in default at any time after December 31, 1975 as to principal or interest on obligations, its securities may not be offered or sold in Florida pursuant to this exemption except by means of an offering circular containing a full and fair disclosure of such defaults, as prescribed by rules of the Florida Department of Banking and Finance (the "Department"). Under the rules of the Department, the prescribed disclosure is not required if the information is not an appropriate disclosure because such information would not be considered material by a reasonable investor. The County is not and has not been in default as to principal and interest on non-conduit bonds or other non-conduit debt obligations which it has issued or guaranteed. Although the County is not aware of any other defaults, it is not undertaking an independent review of bonds or other debt obligations for which it served only as a conduit issuer, if any. Because the source of payment for any such defaulted bonds would be separate and distinct from the source of payment for the 1992 Bonds and would not be an obligation of the County other than to the extent the County receives funds from the party borrowing the proceeds of such bonds, any default on such bonds is not considered a material fact with respect to the 1992 Bonds.

AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the Board of County Commissioners of the County. Concurrently with the delivery of the 1992 Bonds, the undersigned or the then Chairman or Vice Chairman of the Board will furnish his certificate to the effect that, to the best of his knowledge, this Official Statement did not as of its date and does not as of the date of the delivery of the 1992 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements made herein, in light of the circumstances in which they were made, not misleading.

**ST. JOHNS COUNTY, FLORIDA, BOARD
OF COUNTY COMMISSIONERS**

By: _____
Chairman

APPENDIX A

GENERAL INFORMATION CONCERNING THE COUNTY

The following information concerning St. Johns County, Florida is included only for the purpose of providing general background information.

Location

St. Johns County (the "County") encompasses approximately 617 square miles and is located in the northeast region of the State of Florida. The County is located directly south of Duval County, Florida, and is bordered on the west by the St. Johns River, on the south by Flagler County, and on the east by the Atlantic Ocean.

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

Population

St. Johns County currently ranks 32nd out of Florida's 67 counties in gross population and ranks ninth statewide in the percentage change in population growth from 1980 to 1990.

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

<u>Year</u>	<u>Population</u>
1940 U.S. Census	20,012
1950 U.S. Census	24,998
1960 U.S. Census	30,034
1970 U.S. Census	31,025
1980 U.S. Census	51,303
1985 Estimate ¹	68,822
1986 Estimate ¹	73,093
1987 Estimate ¹	75,133
1988 Estimate ¹	80,278
1989 Estimate ¹	84,389
1990 U.S. Census	83,829
1991 Estimate ¹	86,118

¹ University of Florida Bureau of Economic and Business Research.

Commerce and Industry

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

Agriculture

Agribusiness remains a key sector of the state and the northeast region's economy. Agriculture is a major industry in the County and in 1991 provided the County with on-farm revenue in excess of \$62 million.

St. Johns County is known as the potato and cabbage capital of Florida, and leads the other counties in Florida in value of these products. Agriculture commodities produced in the County and their respective values for 1991 are as follows:

Potatoes	\$47,880,000
Forest Products	4,000,000
Ornamental Horticulture	4,000,000
Cabbage	2,375,000
Corn and Hay	2,000,000
Other Vegetables	1,000,000
Livestock and Dairy	<u>1,000,000</u>
Total	\$62,255,000

Source: Florida Department of Agriculture St. Johns County Extension Service, 1992.

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

Employment

The following table shows the average monthly employment by category for the second quarter ending June, 1991.

<u>Distribution</u>	<u>Number of Employees</u>	<u>Percentage of Total</u>
Manufacturing	3,048	10.99%
Construction	1,062	3.83
Transportation, Communications & Utilities	481	1.73
Wholesale Trade	934	3.37
Retail Trade	6,950	25.07
Finance, Insurance and Real Estate	1,040	3.75
Service	8,407	30.32
Government	4,714	17.00
Agriculture (Except Domestic, Self Employed, Unpaid Family Workers and Seasonal Workers)	<u>1,009</u>	<u>3.64</u>
TOTAL	27,727	100.00%

*Subtotals may not equal totals due to disclosure editing and/or rounding.

Source: State of Florida, Department of Labor and Employment Security, Edited ES-202 Report.

Major Employers

The following table shows some of the major employers in St. Johns County and their approximate level of employment as of February, 1992.

<u>Establishment</u>	<u>Product</u>	<u>Approximate Employment</u>
St. Johns County School Board	Education	1,600
Grumman St. Augustine Corporation	Aircraft overhaul and modification	1,173
St. Johns County	County Government	825
Flagler Hospital	Health Care	700
Florida School for the Deaf and Blind	Educational Institution	520
V.A.W. of America, Inc.	Aluminum Extrusion	440
Florida Department of Military Affairs	Florida National Guard Headquarters	368
Tree of Life, Inc.	Health Food Distributor	300
Luhrs Corporation	Pleasure Crafts/Sport Fishing Boats	235*
City of St. Augustine	Municipal Government	225
Ideal Division of Epicor Industries, Inc.		210
Florida East Coast Railway	Intrastate Railroad Freight & Express	200
Tensolite Company	Hi-tech Wire Insulation	199
Flagler College	Four-year Liberal Arts College	198
Holloway Sportswear, Inc.	Sports Clothing	110

* Seasonal

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

Tourism and Recreation

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

Transportation Facilities

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

Land: Three major north/south highways, Interstate 95, U.S. 1 and State Route A1A, serve the County. Bus transportation is provided by Greyhound with 5 northbound and 6 southbound buses each day.

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

Waterways: The Port of St. Augustine provides access to the St. Augustine Inlet, the Intracoastal Waterway and the Atlantic Ocean. The nearest deep water port is in Jacksonville.

Health Care Facilities

Medical facilities are provided by Flagler Hospital, which has 230 beds. There are approximately 78 physicians in the area, including specialists in most fields. The County has five nursing homes; two of which are funded by the County and three of which are private establishments.

Education

The public school system is operated by the County under authority of the St. Johns County School Board of Public Instruction. There are ten elementary schools, four middle schools, two high schools, an exceptional child center (ungraded), a parochial elementary school, a parochial high school, a tri-county Vocation and Technical Center, St. Johns River Community College, and Flagler College, which is a four-year liberal arts institution in which more than 1,000 students are enrolled. Two new elementary schools will open in the Fall of 1992. The State operates the Florida School for the Deaf and Blind in St. Augustine with primary school through senior high school levels.

Source: St. Augustine and St. Johns County Chamber of Commerce, 1992.

ST. JOHNS COUNTY, FLORIDA
CIVILIAN LABOR FORCE
(unadjusted)

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>	<u>State Unemployment Rate</u>
1979	18,260	16,961	1,299	7.1%	6.0%
1980	21,272	19,662	1,609	7.6	5.9
1981	22,716	20,936	1,780	7.8	6.8
1982	23,924	21,709	2,215	9.3	8.2
1983	24,752	22,073	2,679	10.8	8.6
1984	29,212	26,953	2,259	7.7	6.3
1985	31,263	28,953	2,310	7.4	6.0
1986	35,097	32,815	2,282	6.5	5.7
1987	37,681	35,471	2,210	5.9	5.3
1988	38,781	36,761	2,020	5.2	5.0
1989	39,288	37,030	2,258	5.7	5.6
1990	40,011	37,761	2,250	5.6	5.9
1991	40,510	37,889	2,621	6.5	7.3
1992	39,962	37,048	2,914	7.3	7.1

Note: Figures for 1992 are preliminary as of March, 1992.

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

ST. JOHNS COUNTY, FLORIDA
TAXABLE ASSESSED PROPERTY VALUATIONS

<u>Year</u>	<u>Non-Exempt Real Property Valuations</u>	<u>Non-Exempt Personal Valuations</u>	<u>Non-Exempt Utilities Railroad</u>	<u>Total Taxable Assessed Property Valuations</u>
1980	\$ 732,710,802	\$ 89,720,340	\$ 9,631,143	\$ 832,062,285
1981	815,236,870	104,378,309	7,857,790	927,472,969
1982	1,124,581,258	120,428,374	10,138,271	1,255,147,903
1983	1,223,400,247	144,639,034	12,030,202	1,380,069,483
1984	1,390,251,339	164,456,858	7,626,145	1,562,334,342
1985	1,670,984,352	185,401,615	8,022,393	1,864,408,360
1986	1,962,247,284	206,521,804	1,072,961	2,169,842,049
1987	2,184,537,016	233,803,639	14,441,818	2,432,782,473
1988	2,462,124,391	244,414,748	15,577,014	2,722,116,153
1989	2,915,553,142	271,870,308	11,858,243	3,199,281,693
1990	3,200,364,647	299,669,118	12,107,655	3,512,141,420
1991	3,399,910,947	307,882,418	11,995,281	3,719,788,646

Note: Florida East Coast Railway is involved in litigation with respect to railroad taxes for 1986.

Source: State of Florida, Department of Revenue, Florida Ad Valorem Valuations and Tax Data for 1980-1990; Property Appraiser, St. Johns County for 1991.

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

<u>Year</u>	<u>Property Taxes Levied</u>	<u>Total Tax Collections¹</u>	<u>% of Levy Collected²</u>	<u>Delinquent Tax Uncollected</u>
1980	\$12,923,730	\$12,708,385	98.33%	\$ 215,345
1981	16,539,045	16,208,819	98.00	330,226
1982	19,836,859	19,635,820	98.99	201,039
1983	23,677,638	23,320,383	98.49	357,255
1984	25,229,244	24,805,582	98.32	423,662
1985	31,295,519	31,042,190	99.19	253,329
1986	35,941,927	35,594,355	99.03	347,572
1987	40,160,327	39,785,685	99.07	374,642
1988	46,313,747	45,855,152	99.01	458,595
1989	59,828,202	59,808,344	99.97	19,858
1990	66,325,969	66,072,662	99.60	253,306
1991	69,890,745	63,902,065 ³	91.43	5,988,681

¹ Aggregate amount of tax collections as of close-out of fiscal year ending September 30, which includes the aggregate amount of discounts actually taken by taxpayers as allowed by Florida law. A 4% discount is allowed if the taxes are paid in November with the discount declining by 1% each month thereafter. Total tax collections include current taxes paid, tax certificate proceeds, delinquent tax payments upon taxable personal property and any prior period payments on County-held tax certificates.

² Represents percentage of current gross collections (total collections plus discounts taken) to property taxes levied.

³ Represents amount collected through April 1, 1992.

Source: State of Florida, Department of Revenue, Florida Ad Valorem Valuations and Tax Data for 1980-1990; Tax Collector, St. Johns County for 1991.

ST. JOHNS COUNTY, FLORIDA
NET DEBT STATEMENT
as of April 1, 1992
(Adjusted to give effect to the issuance of the 1992 Bonds)

<u>Direct Debt</u>	<u>General Obligation Bonds</u>	<u>Non-Self Supporting Revenue Bonds</u>	<u>Self Supporting Revenue Bonds</u>
Limited Ad Valorem Tax Refunding Bonds, Series 1988	\$ 3,805,000		
General Obligation Bonds, Series 1989	7,755,000		
Water and Sewer Revenue Bonds, Series 1989 (\$10,310,000) and Water and Sewer Revenue Bonds, Series 1990B-I and Series 1990B-II (\$21,165,000)			\$31,475,000
Water and Sewer Revenue Bonds, Series 1991A			14,680,398
Water and Sewer Subordinated Revenue Bonds, Series 1991			2,250,000
Solid Waste Disposal Revenue Bonds, Series 1990 (\$13,215,000 less \$1,258,930 in Reserve Account)			11,956,070
Sales Tax Revenue Bonds, Series 1989		\$21,095,000	
Capital Improvement Revenue Bonds, Series 1987A (\$2,405,000 less \$189,269 in Reserve Account)		2,215,731	
Transportation Improvement Revenue Refunding Bonds, Series 1992	_____	_____	_____
Total Direct Debt	\$11,560,000	\$34,665,731	\$ 60,361,468

* Preliminary; subject to change.

Underlying Debt

City of St. Augustine, Florida Water and Sewer Revenue Refunding Bonds, Series 1986 (\$27,445,000)			\$26,930,000
Guaranteed Entitlement Revenue Bonds, Series 1988	\$2,020,000		
Public Service Tax Revenue Bonds, Series 1988	3,775,000		
Parking Facilities Acquisition Revenue Bonds, Series 1990	925,000		
St. Augustine Airport Authority District St. Augustine Airport Authority Bonds, Dated 2/1/65 (District is comprised of approximately 1/4 of the County's area)	\$ 145,000		
City of Hastings, Florida Water and Sewer Bonds (\$344,000 less \$24,300 in Reserve Account)			319,700
St. Johns County Board of Public Instruction Certificates of Indebtedness Dated 6/1/67 (\$525,000 less \$103,435 in Reserve Account)		421,565	
School District of St. Johns County, Florida General Obligation Bonds, Series 1989	<u>45,775,000</u>		
Total Underlying Debt	\$45,920,000	\$7,141,565	\$27,249,700
Total Direct and Underlying Debt	\$57,480,000	\$41,807,296	\$87,611,168

DEBT RATIOS

Direct and Underlying General Obligation Debt	\$57,480,000
Per Capita	\$682.66
As a Percent of Taxable Assessed Valuation	1.54%
As a Percent of Total Assessed Valuation	1.21%
Direct and Underlying General Obligation and Non-Self Supporting Revenue Debt	\$99,287,296
Per Capita	\$1,179.18
As a Percent of Taxable Assessed Valuation	2.67%
As a Percent of Total Assessed Valuation	2.10%
1991 St. Johns County Population Estimate	86,118
1991 Taxable Assessed Valuation for St. Johns County	\$ 3,719,788,646
1991 Total Assessed Valuation for St. Johns County	\$ 4,732,589,581

Police and Fire Protection

St. Johns County is served by the Sheriff's Department, which has approximately 300 full- and part-time employees including deputies, the detective division, communications, jail and administrative personnel. There are sixteen fire stations operating within the County, served by volunteers. The Fire Department operates a special rescue unit manned by trained emergency medical technicians.

Government

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

BOND PURCHASE AGREEMENT

_____, 1992

Board of County Commissioners
of St. Johns County, Florida
St. Johns County Administration
Building
4020 Lewis Speedway
St. Augustine, Florida 32095

Re: \$ __,000,000 St. Johns County, Transportation
Improvement Revenue Refunding Bonds, Series 1992

Ladies and Gentlemen:

The Underwriter hereby delivers as Attachment I hereto the disclosure statement required by Chapter 218, Part III, Florida Statutes and proposes to purchase all of the Bonds from the County and to make a public offering of the Bonds subject to the acceptance of this proposal by the County on or before 5:00 o'clock p.m. local time then prevailing in St. Augustine, Florida, on the date hereof and subject to the following provisions:

Section 1. Definitions. The following terms shall have the following meanings in this Agreement unless another meaning is plainly intended:

(a) "Accountants" means Price Waterhouse, independent certified public accountants;

(b) "Agreement" means this Bond Purchase Agreement between the Underwriter and the County;

(c) "Bond Counsel" means Foley & Lardner;

(d) "Bonds" means the County's \$ __,000,000 Transportation Improvement Revenue Refunding Bonds, Series 1992. The Bonds shall be issued under and secured as provided in the Resolution and shall have the maturities and interest rates and be subject to redemption as set forth on Annex A hereto;

(e) "Closing" refers to the transaction at which the Bonds are delivered by the County to the Underwriter, and paid for by the Underwriter, pursuant to this Agreement;

(f) "Closing Documents" means the documents described in Section 9 hereof and required to be delivered to the Underwriter at the Closing;

Board of County Commissioners
of St. Johns County, Florida
_____, 1992

Page 2

(g) "Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder and otherwise in effect;

(h) "Comfort Letter" means the letter from the Accountants to the County and the Underwriter, in form and content satisfactory to the Underwriter and the County, dated the date of Closing, generally to the effect of Annex B hereto;

(i) "County" means St. Johns County, Florida, a political subdivision organized and existing under the laws of the State of Florida;

(j) "County's Counsel" means James G. Sisco, Esquire;

(k) "Final Official Statement" means the Official Statement of the County, relating to the Bonds, dated the date hereof;

(l) "Interlocal Agreement" means the Amendment to Interlocal Agreement between the County and the City of St. Augustine executed on June 10, 1986 by the County.

(m) "Official Statements" means the Final Official Statement and the Preliminary Official Statement;

(n) "Preliminary Official Statement" means the Preliminary Official Statement of the County relating to the Bonds dated _____, 1992;

(o) "Refunded Bonds" means the County's \$11,355,000 Transportation Improvement Revenue Bonds, Series 1988;

(p) "Resolution" means Resolution No. 92-___ of the County, as amended and supplemented, authorizing the issuance of the Bonds;

(q) "Underwriter" means William R. Hough & Co., acting for and on behalf of itself and such other securities dealers, if any, as may from time to time be designated by the Underwriter;

(r) "Underwriter's Counsel" means Rogers, Towers, Bailey, Jones & Gay;

(s) "Verification Report" means the report, dated the date of the Closing, of Deloitte & Touche, to the effect that it has verified (a) the sufficiency of cash plus the maturing principal amounts of the eligible investments on deposit in the escrow account established pursuant to the escrow deposit agreement

executed in connection with the defeasance of the Refunded Bonds and interest to be earned on such eligible investments, to pay, when due, interest on the Refunded Bonds and to pay, on the due dates or call date, the principal of or redemption price of the Refunded Bonds, and (b) certain mathematical computations supporting conclusions that the Bonds are not "arbitrage bonds" under the Code.

Section 2. Purchase Price. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter shall purchase and the County shall sell all, but not less than all, of the Bonds at an aggregate purchase price of \$ _____ (net of an underwriting discount of \$ _____ and an original issue discount for current interest bonds of \$ _____) plus accrued interest thereon from _____, 1992 to the date of Closing in the case of current interest bonds.

Section 3. Public Offering. The Underwriter shall make a bona fide public offering of the Bonds at prices not in excess of the initial offering price or prices (or at yields not lower than the yield or yields) set forth in the Final Official Statement, plus accrued interest on the Bonds. The Underwriter represents that, based on prevailing market conditions, they have no reason to believe that any of the Bonds will be initially sold to the public (excluding bond houses, brokers or similar organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices (or yields lower than the yields) shown on the cover of the Final Official Statement, plus accrued interest. The Underwriter shall sell at least 10% of the Bonds of each maturity to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the cover of the Final Official Statement, or in the case of discount obligations sold on a yield basis, at yields no lower than the yields shown on such cover, plus accrued interest on the Bonds. The Underwriter reserves the right to change such initial public offering prices as the Underwriter deems necessary in connection with the marketing of the Bonds.

Section 4. Good Faith Check. Delivered to the County herewith is a good faith check payable to the order of the County in the amount of \$ _____ as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds on the Closing Date referred to in Section 8 hereof (the "Closing Date") in accordance with the provisions hereof. The County shall hold such check uncashed until the Closing Date. The proceeds of such check is hereinafter called "Earnest Money." In the event of the Underwriter's compliance with its obligations

hereunder, the uncashed good faith check shall be returned to the Underwriter on the Closing Date upon payment to the County as provided in Section 8 hereof, of the purchase price of the Bonds plus accrued interest. In the event of the County's failure to tender the Bonds on the Closing Date, or if the County shall be unable on the Closing Date to satisfy the conditions to the obligations of the Underwriter contained herein, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, the uncashed good faith check shall be immediately returned to the Underwriter. If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds upon tender thereof by the County on the Closing Date as herein provided, the County may cash the good faith check and the Earnest Money shall be retained by the County as and for full agreed upon liquidated damages to the County, and not as a penalty, for such failure; it being understood and agreed by the parties hereto that the actual amount of damages caused by such failure to accept and pay for the Bonds may be difficult to ascertain.

Section 5. Representations of County. The County represents to the Underwriter that: (a) on the date hereof and on the date of the Closing, unless disclosed in the Final Official Statement, the statements and information contained in the Official Statements are and will be true and complete in all material respects, and the Official Statements do not and will not omit any statement or information which is necessary to make the statements and information therein, in light of the circumstances under which they are made, not misleading; (b) the Official Statements do not and will not omit any information with respect to the County or its business, properties and affairs which might in a material respect adversely or unfavorably affect the transactions contemplated by the Official Statements; (c) when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered by the County and, upon being authenticated by the Registrar, will constitute valid, binding and enforceable obligations of the County of the character referred to in the Official Statements, in conformity with, and entitled to the benefit and security of, the Resolution, except that the enforceability of such obligations are subject to applicable bankruptcy, reorganization, insolvency and other similar laws affecting creditors' rights generally; (d) the County is empowered and has been duly authorized to enter into this Agreement, to adopt the Resolution, to enact Ordinance 86-61 and to execute and deliver the Interlocal Agreement; (e) the execution and delivery of this Agreement, the Bonds and compliance with the provisions thereof, under the circumstances contemplated herein and therein, will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other

instrument to which the County is a party, or any existing law, administrative regulation, court order or consent decree to which the County is subject; (f) the County has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon; (g) the County has never been in default at any time after December 31, 1975, as to principal of or interest on any obligation pledging the ad valorem taxes or the revenues of the County which it has issued, and to the best of its knowledge, has never been in default at any time after December 31, 1975, as to principal or interest on any other obligation which it has issued; (h) all approvals, consents and orders, if any, of any governmental body having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations under the Resolution and this Agreement have been obtained and are in full force and effect; (i) subsequent to the date of the last audited financial statements contained in the Official Statements, there have been no material adverse changes in the assets, liabilities or condition of the County, financial or otherwise, and neither the business, the properties, nor the affairs of the County have been adversely affected in any substantial way as the result of any fire, explosion, accident, strike, riot, flood, windstorm, earthquake, embargo, war or act of God or of the public enemy; and (j) the Preliminary Official Statement is deemed final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, as of its date, except for omissions of no more than the following information: the offering price(s), the interest rate(s), selling compensation, aggregate principal amount, amount per maturity, delivery date, ratings and other terms depending on such matters.

Section 6. Final Official Statement; Public Offering.

The County shall prepare and deliver to the Underwriter as promptly as practicable, but in any event, not later than within seven (7) business days after the acceptance by the County of this Agreement _____ copies of the Final Official Statement, together with all supplements and amendments thereto, substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter (acceptance to be conclusively presumed by the Underwriter's payment for the Bonds), ten copies of which shall be signed on behalf of the County by the Chairman or the Vice Chairman of its Board of County Commissioners. The County agrees that the Official Statements and copies of the Resolution and comparative financial statements of the County may be used by the Underwriter in the public offering of the Bonds; and that they will cooperate with the Underwriter if the Underwriter decides to qualify the Bonds under the securities acts of any state; provided, however, the County shall not be required to register as a dealer or broker in any such state or to qualify to

do business in connection with any such qualification of the Bonds for sale in any state.

Section 7. Comfort Letter. The County will cause the Comfort Letter to be delivered to the Underwriter on the date of Closing.

Section 8. Closing, Delivery and Payment. The Bonds shall be printed or lithographed on steel engraved borders as fully registered Bonds in the denomination of \$5,000 each or integral multiples thereof as requested by the Underwriter prior to the Closing, and shall be made available for checking and packaging by representatives of the Underwriter in New York, New York, at a place designated by the Underwriter, not less than 24 hours prior to the Closing.

The Closing shall be held beginning at 9:00 o'clock a.m., _____, 1992, at the offices of Foley & Lardner, Jacksonville, Florida, or at such later time and other place as is mutually agreeable to the Underwriter and the County. At the Closing, the Underwriter shall accept the delivery of the Bonds from the County and shall make payment therefor as provided herein in immediately available funds upon (i) tender of the definitive Bonds to the Underwriter by the County; and (ii) the delivery by the County to the Underwriter of all of the Closing Documents.

Section 9. Closing Documents. The Closing Documents shall consist of the following, each properly executed, certified or otherwise verified, dated as of the date of Closing, and in such form, as may be satisfactory to Bond Counsel, the Underwriter and Underwriter' Counsel, including, but not limited to, the matters hereinafter set forth:

(a) A certified copy of (i) the Resolution, (ii) Ordinance 86-61, and (iii) the Interlocal Agreement, all as amended and supplemented to the date of Closing;

(b) The County's closing certificate confirming (i) the representations made by the County herein; (ii) other than as disclosed in the Final Official Statement, that there is no litigation pending or, to its knowledge, threatened to restrain or enjoin the issuance or delivery of the Bonds or in any way contesting or affecting any authority for the issuance of the Bonds, or the validity of the Bonds, the Resolution, or in any way contesting the existence or the powers of the County; (iii) other than as disclosed in the Final Official Statement, that there is no litigation pending or, to its knowledge, threatened against or affecting the County or involving any of the businesses, properties or affairs of the County which involves the possibility of any

judgment or liability which may result in any material adverse change in the properties, businesses or assets or in the condition, financial or otherwise, of the County; (iv) the application of the proceeds of the sale of the Bonds as described in the Resolution; and (v) other than as disclosed in the Final Official Statement the adoption and present effectiveness of all reasonable resolutions or ordinances of the County requested by Bond Counsel and Underwriter's Counsel, in connection with the transactions contemplated hereby, together with copies of said resolutions and ordinances;

(c) The unqualified approving opinion of Bond Counsel, dated the date of Closing, substantially in the form of Appendix D of the Preliminary Official Statement;

(d) An opinion of Bond Counsel in form satisfactory to the Underwriter and Underwriter's Counsel regarding the federal income tax treatment of the original issue discount;

(e) A reliance letter of Bond Counsel, dated the date of Closing, addressed to the Underwriter to the effect that the Underwriter may rely on the opinions of Bond Counsel described in paragraphs (c) and (d) above as if such opinions were addressed to it;

(f) A supplemental opinion of Bond Counsel, dated the date of Closing, addressed to the Underwriter and the County to the effect that: (i) the information contained in the Final Official Statement under the headings "SUMMARY STATEMENT--Authority and Security for the 1992 Bonds," "REFUNDING PLAN," "DESCRIPTION OF THE 1992 BONDS," "AUTHORITY AND SECURITY FOR THE 1992 BONDS," "LEGAL MATTERS," "TAX MATTERS," "MISCELLANEOUS" (pertaining to Section 517.051, Florida Statutes, as amended) and "APPENDIX C--The Resolution" are accurate statements or summaries of the matters set forth therein and fairly present the information purported to be shown, and nothing has come to its attention which would lead it to believe that such sections of the Final Official Statement contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances in which they were made, not misleading; and (ii) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

(g) An opinion of the County's Counsel (which may assume that the interest on the Bonds is excluded from gross income for federal income tax purposes and that neither the Bonds, this Agreement, the Resolution, or any other matter or documents need to

be registered or qualified under the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, Chapter 517, Florida Statutes, or the securities or blue sky laws of any jurisdiction) to the effect that (i) the County is a political subdivision organized and validly existing under the laws of the State of Florida and has all the necessary power and authority to issue the Bonds and enter into this Agreement; (ii) other than as disclosed in the Final Official Statement, this Agreement, the Interlocal Agreement and the Bonds have been duly authorized, executed and delivered by the County and, with respect to this Agreement, assuming due execution hereof by the Underwriter, with respect to the Interlocal Agreement, assuming due execution and delivery by the City of St. Augustine, and, with respect to the Bonds, assuming proper authentication thereof by the Registrar, constitute legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency and other similar laws affecting the enforcement of creditors' rights generally, and no opinion need be expressed as to the availability of any discretionary equitable remedy; (iii) the County has approved the Final Official Statement and the execution and delivery thereof to the purchasers of the Bonds; (iv) the execution and delivery of the Bonds and this Agreement, the adoption of the Resolution, the enactment of Ordinance 86-61 and the issuance of the Bonds pursuant to the Resolution, and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any existing law, regulation, court order or consent decree to which the County is subject; (v) nothing has come to his attention which would lead him to believe that the Final Official Statement (with the exception of financial and statistical information) contains an untrue statement of a material fact, or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (vi) other than as disclosed in the Final Official Statement, no litigation or proceeding is pending or to the best of his knowledge is threatened against or affecting the County to restrain or enjoin the issuance or delivery of the Bonds or in any way contesting or affecting any authority for the issuance of the Bonds, or the validity of the Bonds or of this Agreement, or in any way contesting the existence or the powers of the County; (vii) other than as disclosed in the Final Official Statement, no litigation or proceeding is pending or to the best of his knowledge is threatened against or affecting the County or involving any of the business, property or affairs of the County which involves the possibility of any judgment or liability which may result in any material adverse change in the financial condition of the County

and (viii) the County has obtained the consents, approvals, authorizations or other orders of all municipal, state or regulatory authorities required for the issuance of the Bonds;

(h) A copy of all historical financial statements included in the Official Statements, together with the report issued in connection therewith, manually signed by the Accountants, and the Accountants' consent to the use of their report in the Official Statements and to the references to their firm therein;

(i) Appropriate arbitrage certifications and agreements by the County in form and substance satisfactory to Bond Counsel and Underwriter's Counsel;

(j) A municipal bond insurance policy issued by Financial Guaranty Insurance Company insuring the payment of the principal of and interest on the Bonds when due;

(k) A Reserve Account Insurance Policy (as defined in the Resolution) issued by Financial Guaranty Insurance Company with respect to the Reserve Account Requirement (as defined in the Resolution) allocable to the Bonds;

(l) Appropriate evidence that the Bonds have been assigned ratings of Aaa by Moody's Investors Service, AAA by Standard & Poor's Corporation and AAA by Fitch Investors Service, Inc.;

(m) The Verification Report manually signed by Deloitte & Touche;

(n) A certificate of the Registrar and Paying Agent relating to the incumbency of its officers and its power to serve as Registrar and Paying Agent in form and substance acceptable to Bond Counsel and Underwriter's Counsel;

(o) A certificate of the escrow agent for the Refunded Bonds relating to the incumbency of its officers and its power to serve as escrow agent, in form and substance acceptable to Bond Counsel and Underwriter's Counsel;

(p) The opinion of Underwriter's Counsel, dated the date of Closing, in form and substance acceptable to the Underwriter;

(q) Such additional legal opinions, certificates, instruments and other documents and such multiple copies of the above listed documents as the Underwriter, Underwriter's Counsel or Bond Counsel may reasonably request to evidence compliance by the County with legal requirements; the truth and accuracy, as of the

date of Closing, of the respective representations contained herein and in the Final Official Statement; and the due performance or satisfaction by them of all agreements to be performed by them and all conditions to be satisfied by them at or prior to the Closing.

Section 10. Termination by Underwriter. This Agreement may be terminated in writing prior to the Closing by the Underwriter if any of the following shall occur: (i) this Agreement shall not have been accepted by the County within the time herein provided; (ii) the signed Final Official Statement and the Comfort Letter shall not have been provided within the time required by this Agreement; (iii) the Bonds and all of the Closing Documents shall not have been delivered to the Underwriter as of 2:00 p.m. (unless such time shall have been extended by mutual agreement of the parties hereto) on the date of Closing; (iv)(a) legislation shall have been enacted by the Congress, or introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (b) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (c) an order, ruling, regulation or communication (including a press release) shall have been issued by the Treasury Department of the United States, the Internal Revenue Service or the Securities and Exchange Commission, or (d) any action shall be taken or statement made by or on behalf of the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, which indicates or implies that interest on obligations such as the Bonds may not be excludable from gross income for federal income tax purposes or that legislation will be introduced in the next scheduled session of the United States Congress, in each case referred to in clauses (a), (b), (c) and (d), with the purpose or effect, directly or indirectly, of (x) imposing federal income taxation upon interest to be received by any holders of the Bonds or (y) requiring the offer or sale of the Bonds to be registered under the Securities Act of 1933 or the Resolution to be qualified as an indenture under the Trust Indenture Act of 1939; (v) there shall exist any event or circumstance which, in the reasonable opinion of the Underwriter, either makes untrue or incorrect in a material respect any statement or information contained in the Final Official Statement, or any event or circumstance is not reflected in the Final Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in a material respect;

(vi) there shall have occurred any outbreak of hostilities or other national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America being such as in the reasonable opinion of the Underwriter, would make it impracticable for the Underwriter to sell the Bonds; (vii) there shall be in force a general suspension of trading on the New York Stock Exchange, or any other major United States stock exchange, or minimum or maximum prices for trading shall have been fixed and be in force; (viii) in the reasonable judgment of the Underwriter the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be adversely affected because: (a) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any United States governmental authority or by any United States national securities exchange, or (b) the New York Stock Exchange or other United States national securities exchange, or any United States governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; (ix) a general banking moratorium shall have been declared by either federal, New York or Florida authorities having jurisdiction, and shall be in force; or (x) there shall have occurred any material adverse change in the affairs of the County.

Section 11. Termination by County. This Agreement may be terminated in writing by the County in the event that the Underwriter shall fail to accept delivery of the Bonds on the Closing Date upon tender thereof to the Underwriter by the County, and delivery to the Underwriter of all of the Closing Documents. Such termination shall not affect the County's rights to the Earnest Money.

Section 12. Changes Affecting the Final Official Statement After the Closing. After the Closing, and so long as the Underwriter or any participating dealer shall be offering Bonds which constitute the whole or a part of their unsold participations, but in no event later than 90 days after the Closing, the County will not adopt any amendment of or supplement to the Final Official Statement except with the written consent of the Underwriter, which consent shall not be unreasonably withheld; and during such period of time, if any event relating to or affecting the County shall occur the result of which shall make it necessary, in the reasonable opinion of the (i) County or (ii) Underwriter or Underwriter's Counsel, to amend or supplement the Final Official Statement in order to make it not misleading in the light of the circumstances existing at that time, the County shall

forthwith prepare and furnish to the Underwriter, at the County's expense, a reasonable number of copies of an amendment of or supplement to the Final Official Statement in form and substance satisfactory to the Underwriter, so that it then will not contain an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading.

Section 13. Expenses. The Underwriter shall pay its own out-of-pocket expenses, the fees and expenses of Underwriter's Counsel, and the fees and expenses in connection with the preparation of the Legal Investment Survey and Blue Sky Memoranda and the registration of the Bonds for "Blue Sky" purposes.

The County shall pay all of the other costs and expenses in connection with the financing contemplated by this Agreement, including, but not limited to: (i) the fees and expenses of Bond Counsel, Counsel to the County and the expenses of the County, if any; (ii) fees and expenses incurred for the preparation of the Comfort Letter, the Verification Report, and the fees and expenses of any other experts or consultants; (iii) the cost of preparation and printing of the Bonds; (iv) the cost of printing and duplication for the Official Statements and any amendments or supplements thereto; (v) bond rating agency fees; and (vi) premium and fees for the municipal bond insurance policy.

Section 14. Notices. Any notice or other communication to be given to the County under this Agreement may be given by delivering the same in writing to the address set forth above; and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the Underwriter addressed to William R. Hough & Co., 200 West Forsyth Street, Suite 1440, Jacksonville, Florida 32202-4370.

Section 15. Parties and Interests; County's Undertakings; Survival of Representations. This Agreement is made solely for the benefit of the County and the Underwriter, including the successors and assigns of the Underwriter, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof except as provided in Section 13 hereof. All representations and agreements by the County in

Board of County Commissioners
of St. Johns County, Florida
_____, 1992

Page 13

this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Underwriter, and shall survive the delivery of and payment for the Bonds.

WILLIAM R. HOUGH & CO.

By: _____
Senior Vice President

Accepted by the Board of County Commis-
sioners of St. Johns County, Florida on
_____, 1992

(SEAL)

By: _____
Chairman

ATTACHMENT 1

WILLIAM R. HOUGH & CO.
200 W. Forsyth Street, Suite 1440
Jacksonville, Florida 32202

_____, 1992

Chairman and Members of the
Board of County Commissioners
of St. Johns County, Florida
St. Augustine, Florida

Re: \$____,000,000 St. Johns County, Florida Transportation
Improvement Revenue Refunding Bonds, Series 1992

Ladies and Gentlemen:

Pursuant to Florida Statutes, Section 218.385(4), the following information is provided in connection with the sale of the captioned obligations (the "Bonds").

1. The estimated amount of expenses which the managing underwriter expects to incur with respect to the Bonds is as follows:

Clearance.....\$_____ per \$1,000
Underwriter's Counsel...\$_____ per \$1,000
Miscellaneous Expenses....\$_____ per \$1,000

2. There are no finders, as defined in Section 218.386, Florida Statutes, who have been employed by the managing underwriter in connection with the issuance of the Bonds.

3. The amount of underwriting spread expected to be realized with respect to the Bonds is \$_____ per \$1,000 which includes \$_____ per \$1,000 for risk and \$_____ per \$1,000 for takedown.

4. The management fee to be charged by the managing underwriter is \$_____ per \$1,000.

5. No fee, bonus or other compensation is to be paid by the managing underwriter in connection with the Bonds to any person not regularly employed or retained by it, other than underwriter's counsel as described above.

6. The managing underwriter is William R. Hough & Co., 200 W. Forsyth Street, Suite 1440, Jacksonville, Florida 32202.

Very truly yours,

WILLIAM R. HOUGH & CO.

By: _____
Mitchell N. Owens
Senior Vice President

ANNEX A

MATURITIES, AMOUNTS AND INTEREST RATES
\$ _____ Current Interest Serial Bonds

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or</u> <u>Yield</u>	<u>Maturity</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or</u> <u>Yield</u>
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\$ _____ % Term Bonds due October 1, _____ - Yield- _____ %
 \$ _____ % Term Bonds due October 1, _____ - Price- _____ %
 (Plus Accrued Interest)

\$ _____ Capital Appreciation Bonds

<u>Maturity</u> <u>October 1,</u>	<u>Total</u> <u>Principal</u> <u>Amount</u>	<u>Payment at</u> <u>Maturity</u>	<u>Price</u> <u>(% of</u> <u>Maturity</u> <u>Value)</u>	<u>Yield</u>	<u>Maturity</u> <u>October 1,</u>	<u>Total</u> <u>Principal</u> <u>Amount</u>	<u>Payment at</u> <u>Maturity</u>	<u>Price</u> <u>(% of</u> <u>Maturity</u> <u>Value)</u>	<u>Yield</u>
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The Accreted Value Table appears on Schedule 1 hereto.

REDEMPTION PROVISIONS

The 1992 Bonds maturing October 1 of the years _____ through _____ and _____ through _____, inclusive, are not subject to redemption prior to maturity. The 1992 Bonds maturing October 1, _____, through October 1, _____, are redeemable, at the option of the County, in part, by such method as the Registrar shall deem fair and appropriate, within a maturity if less than an entire maturity is to be redeemed, on October 1, _____ or on any interest payment date thereafter, or as a whole on October 1, _____ or at any time thereafter, at the following redemption prices (expressed as percentages of the principal amount (or, in the case of Capital Appreciation Bonds, the Accreted Value thereof) to be redeemed) set forth below, plus accrued interest to the redemption date:

<u>Redemption Periods</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Prices</u>
October 1, _____ to September 30, _____	%
October 1, _____ to September 30, _____	
October 1, _____ and thereafter	

The 1992 Bonds maturing October 1, _____, are subject to mandatory redemption prior to maturity by such method as the Registrar shall deem fair and appropriate at a redemption price

equal to the following Amortization Installment thereof and accrued interest thereon to the date fixed for redemption, without premium, from amounts on deposit in the Bond Amortization Account as follows:

October 1, Amortization Installment

The 1992 Bonds maturing October 1, _____, are subject to mandatory redemption prior to maturity by such method as the Registrar shall deem fair and appropriate at a redemption price equal to the following Amortization Installment thereof and accrued interest thereon to the date fixed for redemption, without premium, from amounts on deposit in the Bond Amortization Account as follows:

October 1, Amortization Installment

ANNEX B

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



Facsimile

Please deliver the following 3 pages (including cover sheet).

To: James Sisco

Facsimile No. 904-823-2507

Company: _____

Telephone No. _____

From: Karen Daly

Telephone No. 212 607-3081

Facsimile No. 212 607-3098 or 3151 - public Finance

Date: 6/17

Time: _____

Operator: _____

EXHIBIT C

If you do not receive all of the pages or pages are illegible, please call FGIC at 212 607-3000 ext. 4235.

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. John's County, Florida

Date of Commitment:
April 7, 1992

Expiration Date:
~~June 8, 1992*~~ August 23, 1992 *Cont.*

Bonds

Insured: Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "1992 Bonds") issued under the Series 1992 Bonds Resolution, as amended and supplemented, and all Additional Bonds issued thereunder and secured with the 1992 Bonds by the common Reserve Account established thereunder

Premium: No charge; replaces Policy No. 89990002

Maximum Amount: Maximum Annual Debt Service on the 1992 Bonds

Termination Date: Final Maturity Date of the 1992 Bonds

FINANCIAL GUARANTY INSURANCE COMPANY
("Financial Guaranty")

A Stock Insurance Company

hereby commits to issue a Municipal Bond Debt Service Reserve Fund Policy (the "Reserve Policy"), in the form attached hereto as Exhibit A, relating to the above-described debt obligations (collectively, 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 DEBT SERVICE RESERVE FUND POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

- * Subject to written acceptance of this Commitment being furnished to Financial Guaranty not later than April 14, 1992.

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

FGIC.

Commitment For Municipal Bond Insurance

Issuer: St. John's County,
Florida

Date of Commitment:
April 7, 1992

Expiration Date:
~~June 8, 1992*~~ August 23, 1992 *C.A.R.*

Bonds
Insured: Not to Exceed
\$11,820,000 in principal amount
of Transportation Improvement
Revenue Refunding Bonds, Series 1992

Premium: .60% 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:

- * 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 April 14, 1992.
- ** 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. The premium will be adjusted in accordance with Condition 8 hereof to yield an effective premium equal to .40% of the total debt service on the Bonds Insured.



COUNTY COURTHOUSE
ST. AUGUSTINE, FLORIDA
Oldest City in the United States

NICHOLAS M. MEISZER
County Administrator

BOARD OF COUNTY COMMISSIONERS

Historical St. Johns County, Florida

P. O. DRAWER 349
ST. AUGUSTINE, FLORIDA
32085-0349

TELEPHONE: (904) 823-2500
FAX: (904) 823-2507

April 15, 1992

Ms. Marilyn Mullaney
Financial Guaranty Insurance Company
175 Water Street
New York, New York 10038

Dear Ms. Mullaney:


Enclosed you will find the following executed documents as requested:

1. Amendment to Commitment for Municipal Bond Debt Service Reserve Fund Insurance.
2. Commitment to issue a Municipal Bond New Issue Insurance Policy.
3. Commitment to issue a Municipal Bond Debt Service Reserve Fund Policy.

All documents are related to the \$11,820,000 Transportation Improvement Revenue Refunding Bonds Series 1992.

We trust these documents are in order and if questions arise, please contact this office.

Sincerely,


Nicholas M. Meiszer
County Administrator

NMM:sr

cc: James G. Sisco, County Attorney

Enclosures

Fed Exp. - 4/15/92 JK

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. John's County, Florida

Date of Commitment:
April 7, 1992

Expiration Date:
June 8, 1992*

Bonds

Insured: Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "1992 Bonds") issued under the Series 1992 Bonds Resolution, as amended and supplemented, and all Additional Bonds issued thereunder and secured with the 1992 Bonds by the common Reserve Account established thereunder

Premium: No charge; replaces Policy No. 89990002

Maximum Amount: Maximum Annual Debt Service on the 1992 Bonds

Termination Date: Final Maturity Date of the 1992 Bonds

FINANCIAL GUARANTY INSURANCE COMPANY ("Financial Guaranty")

A Stock Insurance Company

hereby commits to issue a Municipal Bond Debt Service Reserve Fund Policy (the "Reserve Policy"), in the form attached hereto as Exhibit A, relating to the above-described debt obligations (collectively, 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 DEBT SERVICE RESERVE FUND POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

-
- * Subject to written acceptance of this Commitment being furnished to Financial Guaranty not later than April 14, 1992.

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



Commitment For Municipal Bond Insurance

AMENDMENT TO COMMITMENT FOR MUNICIPAL BOND INSURANCE

Issuer: St. John's County,
Florida

Bonds

Insured: Not to Exceed
\$11,820,000 in principal amount of
Transportation Improvement
Revenue Refunding Bonds,
Series 1992

**Date of
Amendment:** April 10, 1992

FINANCIAL GUARANTY INSURANCE COMPANY ("Financial Guaranty")

A Stock Insurance Company

hereby amends its Commitment for Municipal Bond Insurance, dated April 7, 1992 (the "Original Commitment"), as amended by Amendment To Commitment For Municipal Bond Insurance (the "Amendment") (collectively, the "Commitment") relating to the above-described debt obligations (the "Bonds"), as follows:

1. The return date in the first footnote on the cover page of the Original Commitment shall hereby be extended to April 21, 1992.

A handwritten signature in cursive script, reading "Christopher H. Richmond", written in black ink over a horizontal line.

Christopher H. Richmond
Director of Public Finance

To keep the Commitment, as hereby amended, in effect to the Expiration Date set forth on the first page of the Commitment, Financial Guaranty must receive by April 21, 1992 a duplicate of this Amendment as well as the Original Commitment each executed by an appropriate officer of St. John's County, Florida.

This Amendment is accepted as of April __, 1992, by the St. John's County, Florida.

CG339

BY: A handwritten signature in cursive script, reading "Nicholas M. Meiszer", written in black ink over a horizontal line.

TITLE: NICHOLAS M. MEISZER
COUNTY ADMINISTRATOR

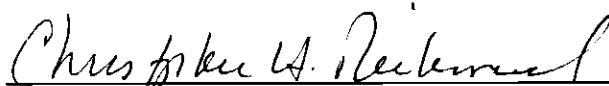
1. The documents to be executed and delivered in connection with the issuance and sale of the 1992 Bonds shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any purchaser of the 1992 Bonds, otherwise required, not to be required to purchase the 1992 Bonds on the date scheduled for the issuance and delivery thereof.
3. There shall be no material change in or affecting the 1992 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 1992 Bonds from the descriptions or forms thereof approved by Financial Guaranty.
4. The 1992 Bonds shall contain no reference to Financial Guaranty, the Reserve Policy or the reserve fund 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, as amended (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 excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended.
 - (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) An opinion of bond counsel, addressed to and in form and substance satisfactory to Financial Guaranty, as to the due authorization, validity and enforceability of the Resolution pursuant to which the 1992 Bonds are authorized (the "Resolution").
 - (d) Evidence of wire transfer in Federal funds in an amount equal to the insurance premium, unless alternative arrangements for the payment of such amount acceptable to Financial Guaranty have been made prior to the delivery date of the Reserve Policy.
6. The Resolution (draft dated March 2, 1992) shall be revised to include the following terms and conditions:
- (a) The flow of funds shall be revised to provide that the Issuer's repayment of any draws under the Reserve Policy and all related reasonable expenses incurred by Financial Guaranty (together with interest thereon at a rate equal to the lower of (i) the prime rate of Morgan Guaranty Trust Company of New York in effect from time to time plus 2% per annum and (ii) the highest rate permitted by law) shall enjoy the same priority as the obligation to maintain and refill the Reserve Account. Repayment of draws, expenses and accrued interest (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw. If and to the extent that cash has also been deposited in the Reserve Account, all such cash shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing under the Reserve Policy, and repayment of any Policy Costs shall be made prior to replenishment of any such cash amounts. If, in addition to the Reserve Policy, any other reserve fund substitute instrument ("Additional Reserve Policy") is provided, drawings under the Reserve Policy and any such Additional Reserve Policy, and repayment of Policy Costs and reimbursement of amounts due under the Additional Reserve Policy, shall be made on a pro rata basis (calculated by reference to the maximum amounts available thereunder) after applying all available cash in the Reserve Account and prior to replenishment of any such cash draws, respectively.
 - (b) If the Issuer shall fail to repay any Policy Costs in accordance with the requirements of Paragraph 6(a) hereof, Financial Guaranty shall be entitled to

exercise any and all remedies available at law or under the Resolution other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect Bondholders.

- (c) The Resolution shall not be discharged until all Policy Costs owing to Financial Guaranty shall have been paid in full.
 - (d) As security for the Issuer's repayment obligations with respect to the Reserve Policy, Financial Guaranty shall be granted a security interest (subordinate only to that of the Bondholders) in all Pledged Funds pledged by the Issuer as security for the Bonds.
 - (e) The Additional Bonds required certifications contained in Section 5.02(B) of the Resolution shall expressly provide for at least one times coverage of the Issuer's obligations with respect to repayment of Policy Costs then due and owing. Furthermore, no Additional Bonds may be issued without Financial Guaranty's prior written consent if any Policy Costs are past due and owing to Financial Guaranty.
 - (f) The Resolution shall require the Paying Agent to ascertain the necessity for a claim upon the Reserve Policy and to provide notice to Financial Guaranty in accordance with the terms of the Reserve Policy at least two business days prior to each interest payment date.
 - (g) The Resolution shall not be modified or amended without the prior written consent of Financial Guaranty.
 - (h) Financial Guaranty shall be provided with written notice of the resignation or removal of the Paying Agent and the appointment of a successor thereto and of the issuance of additional indebtedness of the Issuer at 175 Water Street, New York, New York 10038 Attention: General Counsel.
 - (i) Revisions that are required to be made to the Resolution pursuant to Financial Guaranty's Commitment Letter dated April 7, 1992 relating to the insurance of the 1992 Bonds.
7. No policy of municipal bond insurance other than a policy issued by Financial Guaranty shall be provided as security for the payment of principal and interest on the 1992 Bonds.

8. The Reserve Policy shall expire on the final maturity date of the 1992 Bonds.
9. Prior to delivery of the Reserve Policy, the Issuer shall deliver to Financial Guaranty an executed Debt Service Reserve Fund Policy Agreement in substantially the form of Exhibit B hereto (the "Agreement") and an opinion of counsel to the Issuer in form and substance satisfactory to Financial Guaranty as to the due authorization, validity and enforceability of the Agreement.
10. Any official statement or similar disclosure document relating to the 1992 Bonds shall contain only (i) the language included in Exhibit C hereto and (ii) such other references to Financial Guaranty and the Reserve Policy as we shall supply or approve.
11. Promptly after the issuance of the Reserve Policy, Financial Guaranty shall receive a completed set of executed documents.



Christopher H. Richmond
Director of Public Finance

To keep this commitment in effect to the Expiration Date set forth on the first page, Financial Guaranty must receive by April 14, 1992 a duplicate of this Commitment executed by an appropriate officer of St. John's County, Florida.

The undersigned agrees that if the reserve fund requirement for the Bonds is met in whole or in part by a surety bond, letter of credit or insurance policy, such reserve fund credit instrument shall be a Reserve Policy provided by Financial Guaranty in accordance with the terms of this Commitment.

Accepted as of April __, 1992 by St. John's County, Florida

BY: _____

TITLE: _____

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

**Municipal Bond Debt Service
Reserve Fund Policy**

Issuer: St. John's County,
Florida

Policy Number:

Control Number:

Bonds: Transportation Improvement
Revenue Refunding Bonds, Series 1992
(the "1992 Bonds") issued under the
Series 1992 Bonds Resolution, as,
amended and supplemented, and all
Additional Bonds issued thereunder
and secured with the 1992 Bonds by
the common Reserve Account established
thereunder

Premium:

Maximum Amount: \$

Termination Date:

Paying Agent:

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 the paying agent named above or its successor, as paying agent for the Bonds (the "Paying Agent"), for the benefit of Bondholders, that portion (not to exceed the Maximum Amount set forth above) of the amount required to pay principal and interest (but not any prepayment premium) on the Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer. No payment shall be due hereunder for any event of Nonpayment that occurs after the Termination Date set forth above.

Financial Guaranty will make such payment to the Paying 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. Upon such disbursement, Financial Guaranty shall become entitled to reimbursement therefor (together with interest thereon) all as provided in the Debt Service Reserve Fund Policy Agreement between the Issuer and Financial Guaranty dated as of the Effective Date of this Policy. The Maximum Amount shall be automatically reinstated when and to the extent that the Issuer repays amounts disbursed hereunder, but shall not be reinstated to the extent of amounts received by Financial Guaranty constituting interest on amounts disbursed to the Paying Agent pursuant to this Policy. Financial Guaranty shall provide Notice to the Paying Agent of any reinstatement of any portion of the Maximum Amount within one Business Day of such reinstatement.

Financial Guaranty Insurance Company

175 Water Street
New York, New York 10038-4972
(212) 607-3000
(800) 352-0001

**Municipal Bond Debt Service
Reserve Fund Policy**

This Policy is non-cancellable for any reason, including the failure of the Issuer to reimburse Financial Guaranty for any payment made hereunder.

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 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 and 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. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from the Paying Agent for the Bonds to Financial Guaranty or from Financial Guaranty to the Paying Agent, as the case may be. "Business Day" means any day other than a Saturday, Sunday or a day on which the Paying 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.

President

Managing Director

Effective Date:

Authorized Representative

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

Senior Vice President

Effective Date: , 1992

Authorized Representative

Acknowledged as of the Effective
Date written above:

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

DEBT SERVICE RESERVE FUND POLICY AGREEMENT

AGREEMENT, dated as of April __, 1992, by and between ST. JOHN'S COUNTY, FLORIDA (the "Issuer"), and FINANCIAL GUARANTY INSURANCE COMPANY (the "Insurer").

In consideration of the issuance by the Insurer of its Municipal Bond Debt Service Reserve Fund Policy (the "Reserve Policy") with respect to the Issuer's Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "1992 Bonds") issued under the Series 1992 Bonds Resolution, as amended and supplemented, and all Additional Bonds issued thereunder and secured with the 1992 Bonds by the common Reserve Account established thereunder issued under the Resolution adopted _____, 1992, as amended and supplemented (the "Resolution") and the Issuer's payment to the Insurer of the insurance premium for the Reserve Policy, the Insurer and the Issuer hereby covenant and agree as follows:

1. Upon any payment by the Insurer under the Reserve Policy, the Insurer shall furnish to the Issuer written instructions as to the manner in which repayment of amounts owed to the Insurer as a result of such payment shall be made.
2. The Issuer shall repay the Insurer the principal amount of any draws under the Reserve Policy and related reasonable expenses incurred by the Insurer and shall pay interest thereon at a rate equal to the lower of (i) the prime rate of Morgan Guaranty Trust Company of New York in effect from time to time plus 2% per annum and (ii) the highest rate permitted by law.
3. Repayment of draws, expenses and the interest thereon (collectively, "Policy Costs") shall enjoy the same priority as the obligation to maintain and refill the Reserve Account.
4. Payment of Policy Costs shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw.
5. Amounts paid to the Insurer shall be credited first to interest due under the Reserve Policy and hereunder, then to the expenses due hereunder and then to principal due under the Reserve Policy and hereunder. As and to the extent that payments are made to the

Insurer on account of principal due under the Reserve Policy and hereunder, the coverage under the Reserve Policy will be increased by a like amount.

6. If the Issuer shall fail to repay any Policy Costs in accordance with the requirements of the Resolution and this Agreement, the Insurer shall be entitled to exercise any and all remedies available at law or under the Resolution other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect Bondholders.
7. The Issuer shall ascertain the necessity for a claim upon the Policy and provide notice to the Insurer in accordance with the terms of the Reserve Policy at least two business days prior to each date upon which interest or principal is due on the Bonds.
8. All cash and investments in the Reserve Account shall be utilized for making required transfers to the debt service fund for payment of debt service on the Bonds before making any draws on any alternative credit instrument. Repayment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all alternative credit instruments on which there is available coverage shall be made on a pro rata basis (calculated by reference to coverage then available under each such alternative credit instrument) after applying available cash and investments in the Reserve Account. Repayment of Policy Costs and reimbursement of amounts with respect to alternative credit instruments shall be made on a pro rata basis (calculated by reference to the coverage then available under each such alternative credit instrument) prior to replenishment of any cash draws on the Reserve Account.
9. The Resolution shall not be modified or amended without the prior written consent of the Insurer.
10. The Resolution shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full.
11. As security for the Issuer's repayment obligations with respect to all Policy Costs and the Reserve Policy, the Insurer is hereby granted a security interest (subordinate only to that of the Bondholders) in all Pledged Funds.

12. The additional bonds test prescribed in Section 5.02(B) of the Resolution shall be calculated with at least one times coverage of the Issuer's obligations with respect to repayment of Policy Costs then due and owing. Furthermore, no Additional Bonds may be issued under the Resolution without the Insurer's prior written consent if any Policy Costs are past due and owing to the Insurer.
13. The Issuer shall provide the Insurer with the following information:
 - (i) Budget for each year and annual audited financial statements, within 120 days after the end of each of its Fiscal Years;
 - (ii) Official statement or similar disclosure document, if any, prepared in connection with the issuance of additional debt;
 - (iii) Notice of the redemption, other than mandatory sinking fund redemption, of any of the Series 1992 Bonds; and,
 - (iv) Such additional information as the Insurer may reasonably request from time to time.
14. Notices to the Insurer shall be sent to the following address (or such other address as the Insurer may designate in writing): Financial Guaranty Insurance Company, 175 Water Street, New York, New York 10038 Attention: General Counsel.
15. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.
16. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.
17. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Resolution.

18. This Agreement and the rights and obligations of the parties of the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date written above.

ST. JOHN'S COUNTY, FLORIDA

By: _____
Name: _____
Title: _____

FINANCIAL GUARANTY INSURANCE
COMPANY

By: _____
Name: _____
Title: _____

Disclosure language for inclusion in Official Statement, if any
("Bonds" means all 1992 Bonds and all Additional Bonds
outstanding under the Resolution and secured with the 1992 Bonds
by a common Reserve Account)

Debt Service Reserve Fund Policy

Concurrently with the issuance of the Series 1992 Bonds, Financial Guaranty will issue its Municipal Bond Debt Service Reserve Fund Policy (the "Reserve Policy"). The Reserve Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Series 1992 Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the Issuer, provided that the aggregate amount paid under the Reserve Policy may not exceed the maximum amount set forth in the Reserve Policy, which maximum amount represents maximum annual debt service on the Series 1992 Bonds. Financial Guaranty will make such payments to the paying agent (the "Paying Agent") for the Bonds 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 the Paying Agent of the nonpayment of such amount by the Issuer. 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 Reserve Policy is non-cancellable and the premium will be fully paid at the time of delivery of the Series 1992 Bonds. The Reserve Policy covers failure to pay principal of the Bonds on their respective stated maturity dates, or dates on which the same shall have been 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. The Reserve Policy shall terminate on [final maturity date of Series 1992 Bonds].

Generally, in connection with its issuance of a Reserve Policy, Financial Guaranty requires, among other things, (i) that, so long as it has not failed to comply with its payment obligations under the Reserve Policy, it be granted the power to exercise any remedies available at law or under the Resolution other than (A) acceleration of the Bonds or (B) remedies which would adversely affect holders in the event that the issuer fails to reimburse

Financial Guaranty for any draws on the Reserve Policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent. The specific rights, if any, granted to Financial Guaranty in connection with its issuance of the Reserve Policy are set forth in the description of the principal legal documents appearing elsewhere in this Official Statement. Reference should be made as well to such description for a discussion of the circumstances, if any, under which the issuer of the Bonds is required to provide additional or substitute credit enhancement, and related matters.

This Official Statement contains a section regarding the ratings assigned to the Bonds and references should be made to such section for a discussion of such ratings and the basis for their assignment to the Bonds. Reference should be made to the description of the issuer for a discussion of the ratings, if any, assigned to such entity's outstanding parity debt that is not secured by credit enhancement.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

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 a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of December 31, 1991, the total capital and surplus of Financial Guaranty was approximately \$549,000,000. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 175 Water Street, New York, New York 10038, Attention: Communications Department (telephone number: (212) 607-3000) or to the New York State Insurance Department at 160 West Broadway, 18th Floor, New York, New York 10013, Attention: Property Companies Bureau (telephone number: (212) 602-0389).

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. John's County,
Florida

Date of Commitment:
April 7, 1992

Expiration Date:
June 8, 1992*

Bonds

Insured: Not to Exceed
\$11,820,000 in principal amount
of Transportation Improvement
Revenue Refunding Bonds, Series 1992

Premium: .60% 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:

-
- * 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 April 14, 1992.
 - ** 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. The premium will be adjusted in accordance with Condition 8 hereof to yield an effective premium equal to .40% of the total debt service on the Bonds Insured.
-

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any 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, as amended (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 excludable from gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended. 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 and such

documents shall be satisfactory to Financial Guaranty in all respects.

- (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) Opinion(s) of counsel, addressed to and in form and substance satisfactory to Financial Guaranty, as to the due authorization, validity and enforceability of the Resolution pursuant to which the Bonds are authorized (the "Resolution") and the Interlocal Agreement, as amended, between the Issuer and the City of St. Augustine, Florida, and all ordinances relating thereto.
- (d) 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 (we have reviewed a draft dated March 2, 1992) shall include the following terms and conditions (hereinafter, all capitalized terms which are not defined shall have the meanings assigned to such terms in the Resolution):
 - (a) The definition of "Authorized Investments" in Section 1.01 shall be revised to the extent necessary to permit only those investments specified in Exhibit D hereto, to the extent permitted by applicable law.
 - (b) The definition of "Bond Insurance Policy" in Section 1.01 shall be revised to read as follows with respect to the Series 1992 Bonds: "the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Series 1992 Bonds."
 - (c) The definition of "Insurer" in Section 1.01 shall be revised to read as follows with respect to the Series 1992 Bonds: "Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto."
 - (d) 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 hereto. Those definitional provisions in Section 1.01 shall be revised accordingly.

- (e) Sections 1.04, 4.01 and 4.02 of the Resolution shall be revised, as necessary, to make clear that the lien on Pledged Funds created by the Resolution shall constitute a first and prior lien and pledge in favor of Bondholders.
- (f) Notice of the redemption of any Series 1992 Bonds, other than mandatory sinking fund redemption and excepting any notice that refers to any Series 1992 Bonds that are the subject of an advance refunding, shall be circulated only if sufficient funds have been deposited with the Paying Agent to pay the redemption price of the Series 1992 Bonds to be redeemed.
- (g) Section 4.05(4) shall be revised, as necessary, to the extent any provision thereof is inconsistent with the requirements set forth in Conditions 6(d) and 6(g) hereof. In addition, any funding of the applicable Reserve Account Requirement in connection with (1) the issuance of any series of Bonds shall be made (i) in not more than 24 equal and consecutive monthly installments, the first such installment to commence on the date of issuance of such series or, (ii) if any capitalized interest in respect of such series of Bonds has been deposited in the appropriate debt service fund, not later than the date on which such capitalized interest is fully depleted if such date is more than 24 months following the issuance of the applicable series of Bonds, (2) any replenishment due to a withdrawal from the Reserve Account shall be made immediately from first available moneys as provided in Section 4.05(4), but in any event in not more than 12 equal and consecutive monthly installments, the first such installment to commence on the first day of the first month following the month in which such deficiency arises, and (3) any replenishment due to a market valuation deficiency shall be restored immediately from first available moneys as provided in Section 4.05(4), but in any event not later than the next succeeding quarterly valuation date. All provisions of Section 4.05 (4) relating to a Reserve Account Issuance Policy and a Reserve Account Letter of Credit shall be revised, as necessary, to comport to the requirements set forth in Exhibit E hereto.
- (h) Section 4.07 shall be revised, to the extent necessary, to provide that all investments shall be

valued as frequently as deemed necessary by the Bond Insurer, but not less often than quarterly, at the 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 quarterly valuation date. Investments purchased with funds on deposit in the Reserve Account shall have a term to maturity not greater than five years.

- (i) The ratio prescribed in Section 5.02(B)(3)(a) shall be increased from 1.25 to 1.35, and the applicable historic test period prescribed in Section 5.02(B)(2) shall be revised to mean any twelve consecutive months selected by the Issuer from the eighteen months immediately preceding the issuance of the Additional Bonds. The proviso contained in the second sentence of Section 5.02 (relating to the applicability of covenants for Additional Bonds) shall be revised, in part, to provide that any application of such provision shall require the prior written consent of the Bond Insurer.
- (j) Section 5.05 shall be revised, in part, to provide that the Issuer will deliver to the Insurer the following information:
 - (i) Within 120 days after the end of each of the Issuer's Fiscal Years, budget for the new year, annual audited financial statements, a statement of the amount on deposit in the Reserve Account as of the last valuation, and, if not presented in the audited financial statements, a statement of the Pledged Funds pledged to payment of Bonds in such fiscal year;
 - (ii) Official statement or other disclosure, if any, prepared in connection with the issuance of additional debt, whether or not on parity with the Series 1992 Bonds within 30 days after the sale thereof;
 - (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 Series 1992 Bonds, including the principal amount, maturities and CUSIP numbers thereof; and

- (v) Such additional information as the Insurer may reasonably request from time to time.
- (k) Article V shall be supplemented by an additional covenant of the Issuer to take all actions legally available to the Issuer to increase or maximize its entitlement to Gas Tax Revenues under the Interlocal Agreement or otherwise.
- (l) Section 6.01 shall be revised, in part, to specify that in determining whether a payment default has occurred or whether a payment on the Series 1992 Bonds has been made under the Resolution, no effect shall be given to payments made under the Bond Insurance Policy.
- (m) Section 6.02 shall be revised, in part, to provide that (i) the Insurer shall receive immediate notice of any payment default and notice of any other default known to the Issuer or the Paying Agent within 30 days of such person's knowledge thereof, and (ii) 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 the Resolution.
- (n) Section 6.03 shall be supplemented by an additional provision which states that the Insurer shall be included as a party in interest and as a party entitled to (i) notify the Issuer and the Paying Agent of the occurrence of an event of default and (ii) request the Paying Agent to intervene in judicial proceedings that affect the Series 1992 Bonds or the security therefor. The Trustee shall be required to accept notice of default from the Insurer.
- (o) Section 6.07 shall be supplemented, in part, by the following provision: "For all purposes of Article VI, except the giving of notice of default to Bondholders, the Insurer shall be deemed to be the sole holder of the Series 1992 Bonds for so long as it has not failed to comply with its payment obligations under the Bond Insurance Policy.
- (p) Article VIII shall be supplemented by additional provisions which state that (i) any amendment or supplement to the Resolution shall be subject to the prior written consent of the Insurer, (ii) any rating agency rating the Series 1992 Bonds must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution or

adoption, and (iii) the Insurer shall be provided with a full transcript of all proceedings relating to the execution of any amendment or supplement to the Resolution.

- (q) An additional provision shall be included in the Resolution which shall provide that (i) any successor Paying Agent must have combined capital, surplus and undivided profits of at least \$50 million, unless the Insurer shall otherwise approve, (ii) no resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of Trustee, and (iii) the Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent and the appointment of any successor thereto.
- (r) Only cash, direct non-callable 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, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination thereof) shall be used to effect defeasance of the Series 1992 Bonds unless the Insurer otherwise approves. 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.
- (s) The following provisions shall be included:
- (i) If, on the third day preceding any interest payment date for the Series 1992 Bonds there is not on deposit with the Paying Agent sufficient moneys available to pay all principal of and interest on the Series 1992 Bonds due on such date, the Paying Agent shall immediately notify the Insurer and Citibank, N.A., New York, New York or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, the Issuer has not provided the amount of such deficiency, the Paying Agent shall simultaneously make available to the Insurer and to the Fiscal Agent the registration books for the Series 1992 Bonds maintained by the Paying Agent. In addition:

- (A) The Paying Agent shall provide the Insurer with a list of the Bondholders entitled to receive principal or interest payments from the Insurer under the terms of the Bond Insurance Policy and shall make arrangements for the Insurer and its Fiscal Agent (1) to mail checks or drafts to Bondholders entitled to receive full or partial interest payments from the Insurer and (2) to pay principal of the Series 1992 Bonds surrendered to the Fiscal Agent by the Bondholders entitled to receive full or partial principal payments from the Insurer; and
- (B) The Paying Agent shall, at the time it makes the registration books available to the Insurer pursuant to (A) above, notify Bondholders entitled to receive the payment of principal of or interest on the Series 1992 Bonds from the Insurer (1) as to the fact of such entitlement, (2) that the Insurer will remit to them all or part of the interest payments coming due subject to the terms of the Bond Insurance Policy, (3) that, except as provided in paragraph (ii) below, in the event that any Bondholder is entitled to receive full payment of principal from the Insurer, such Bondholder must tender his Series 1992 Bond with the instrument of transfer in the form provided on the Bond executed in the name of the Insurer, and (4) that, except as provided in paragraph (ii) below, in the event that such Bondholder is entitled to receive partial payment of principal from the Insurer, such Bondholder must tender his Series 1992 Bond for payment first to the Paying Agent, which shall note on such Bond the portion of principal paid by the Paying Agent, and then, with an acceptable form of assignment executed in the name of the Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the Bondholder subject to the terms of the Bond Insurance Policy.
- (ii) In the event that the Paying Agent has notice that any payment of principal of or interest on a Series 1992 Bond has been recovered from a Bondholder pursuant to the United States

Bankruptcy Code by a Paying Agent in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Paying Agent shall, at the time it provides notice to the Insurer, notify all Bondholders that in the event that any Bondholder's payment is so recovered, such Bondholder will be entitled to payment from the Insurer to the extent of such recovery, and the Paying Agent shall furnish to the Insurer its records evidencing the payments of principal of and interest on the Bonds which have been made by the Paying Agent and subsequently recovered from Bondholders, and the dates on which such payments were made.

- (iii) The Insurer shall, to the extent it makes payment of principal of or interest on the Series 1992 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (1) in the case of subrogation as to claims for past due interest, the Paying Agent shall note the Insurer's rights as subrogee on the registration books maintained by the Paying Agent upon receipt from the Insurer of proof of the payment of interest thereon to the Bondholders of such Series 1992 Bonds and (2) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Insurer's rights as subrogee on the registration books for the Series 1992 Bonds maintained by the Paying Agent upon receipt of proof of the payment of principal thereof to the Bondholders of such Bonds. Notwithstanding anything in this Resolution or the Series 1992 Bonds to the contrary, the Paying Agent shall make payment of such past due interest and past due principal directly to the Insurer to the extent that the Insurer is a subrogee with respect thereto.
- (t) The notice addresses for the Insurer and the Fiscal Agent shall be included:

Financial Guaranty Insurance Company
175 Water Street
New York, New York 10038
Attention: General Counsel

Citibank, N.A.
20 Exchange Place - 16th Floor
New York, New York 10005
Attention: Municipal Trust and Agency
Services Administration

7. (a) The Escrow Agreement (the "Escrow Agreement") providing for the refunding of the Issuer's outstanding Transportation Revenue Bonds, Series 1988 (the "Prior Bonds") shall permit the deposit solely of cash, direct non-callable obligations of the United States of America, Record interest strips or securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America has been pledged to any such direct obligation or guarantee ("Direct Obligations") and shall permit substitution of Direct Obligations for other Direct Obligations solely upon the receipt by the escrow agent of (i) a new verification of the sufficiency of the escrowed securities (assuming such substitution has been made) to provide for the payment of the Prior Bonds in accordance with the terms of the escrow agreement and (ii) an opinion of bond counsel to the effect that such substitution shall not affect the tax-exempt status of interest on the Prior Bonds or the Bonds. Modification of the Escrow Agreement shall not be permitted unless the holders of all of the Prior Bonds consent to such modification.
- (b) At least five business days prior to the proposed date for delivery of the Policy, Financial Guaranty shall receive for its review and approval (i) the verification by independent certified public accountants satisfactory to Financial Guaranty of the accuracy of the mathematical computation of the adequacy of the escrow established to provide for the payment of the Prior Bonds in accordance with the terms and provisions of the Escrow Agreement, (ii) copies of the subscription forms and purchase and issue of U.S. Treasury Securities - State and Local Government Series which have been stamped as received by the Federal Reserve Bank or, if applicable, confirmations of purchase of open market U.S. Treasury Securities, and (iii) the form of an opinion of bond counsel addressed to Financial Guaranty (or a reliance letter relating thereto) to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Prior Bonds shall have occurred. An executed copy of such opinion shall be forwarded to Financial

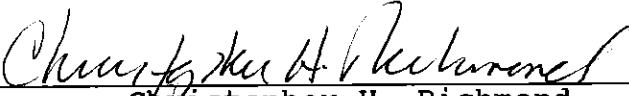
Guaranty, together with the documentation requested by Condition 5(a) hereof.

8. A portion of the premium (the "Prior Premium") collected by Financial Guaranty for the insurance issued with respect to that portion of the Issuer's Prior Bonds to be refunded (the "Refunded Prior Bonds") will be credited against the premium to be charged for the Policy, to be computed as follows:

From the Prior Premium there will be subtracted an amount equal to the sum of: (i) 30% of said Premium, (ii) the amount of the Prior Premium earned to the date of the refunding (being the pro-rata portion of the Prior Premium related to the debt service payments made and to be made by the Issuer on the Refunded Prior Bonds to the date of refunding) and (iii) .25% times the remaining debt service payments to be made on the Refunded Prior Bonds after the refunding to the earlier of the call date provided for in the Escrow Agreement or the final maturity. The remaining amount will be credited against the premium due for the Policy;

Provided, that no more than 33-1/3% of the lesser of (i) the Prior Premium and (ii) the gross premium being charged for the insurance provided on the amount of Bonds Insured to be used to fund the defeasance of the Refunded Prior Bonds shall be so credited.

9. 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.
10. The preliminary official statement and 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.
11. 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.



Christopher H. Richmond
Director of Public Finance

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. John's County, Florida by the earlier of the date on which the disclosure document relating to the Bonds is circulated and April 14, 1992.

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 April __, 1992 by St. John's County, Florida.

BY: _____

TITLE: _____

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

SM: Service mark used by Financial Guaranty Insurance Company under license from its parent company, FGIC Corporation

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.

President

Managing Director

Effective Date:

Authorized Representative

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

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


Managing Director

Effective Date:

Authorized Representative

Acknowledged as of the Effective Date written above:


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

SM: Service mark used by Financial Guaranty Insurance Company under license from its parent company, FGIC Corporation

ENDORSEMENT

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

It is further understood that, with respect to the Bonds maturing on _____, the amount insured under this Policy is that portion of the [] (as set forth in the bond documents under which the Bonds are issued) of said Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

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: _____, 1992

Authorized Representative

Acknowledged as of the Effective
Date written above:

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

(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. John's County, Florida Transportation Improvement Revenue Refunding Bonds, Series 1992 (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 (or the Accreted Value in the case of Capital Appreciation Bonds) 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 (or the Accreted Value in the case of Capital Appreciation Bonds), 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 the payment of principal (or the Accreted Value in the case of Capital Appreciation Bonds) of the Bonds is due by reason of call for redemption (other than mandatory sinking fund redemption), acceleration or other advancement of maturity, 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 the Accreted Value in the case of Capital Appreciation Bonds) 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

(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 (or the Accreted Value in the case of Capital Appreciation Bonds) of and interest on the Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the Issuer. 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 (or the Accreted Value in the case of Capital Appreciation Bonds) 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 Issuer. 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 (or the Accreted Value in the case of Capital Appreciation Bonds) 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 (or the Accreted Value in the case of Capital Appreciation Bonds) and interest shall be vested in Financial Guaranty. The term "nonpayment" in respect of a Bond includes any payment of principal (or the Accreted Value in the case of Capital Appreciation Bonds) 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 (or the Accreted Value in the case of Capital Appreciation Bonds) 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 otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

Generally, in connection with its insurance of an issue of municipal securities, Financial Guaranty requires, among other things, (i) that it be granted the power to exercise any

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, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");
- (2) Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMA's"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMA's"); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities.
- (3) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" 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, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by Standard & Poor's Corporation;
- (4) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Corporation;

- (5) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) 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, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's and a "Short-Term CD" rating of "A-1" or better by S&P.
- (6) 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 continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation;
- (7) investments in money-market funds rated "AAAm" or "AAAm-G" by Standard & Poor's Corporation;
- (8) repurchase agreements collateralized by Direct Obligations, GNMMAs, FNMMAs or FHLMMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-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 ("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 \$50 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 180 days or less, and the Trustee or the Agent will value the collateral securities no less frequently than weekly 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 fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

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 Resolution (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.

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: Latonia Dukes at (212) 607-3034 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
Contact: Tony Forgione (212/270-8464)

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 John Van Cott (212) 607-3070.

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 John Van Cott (212) 607-3070 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.

:

Official Statement and Tombstone Logotype Configuration



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Rating: Standard & Poor's
Moody's "Aaa"
Financial Guaranty
Insured

In the opinion of Knox McLaughlin Gornall & Sennett, P.C., Bond Counsel, assuming continuing compliance by the School District with certain covenants to comply with provisions of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds exempt from present Federal income taxes under existing statutes, regulations and decisions, except as set forth under the heading "Tax Exemption" in the Preliminary Official Statement. Under provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as re-enacted, amended and supplemented, the Commonwealth of Pennsylvania does pledge to and agree with any person, firm, corporation or Federal Agency subscribing to or acquiring any of the Bonds, that the Bonds, their transfer and the income therefrom (including any profits made on the sale thereof) shall at all times be free from taxation for State and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied directly on the Bonds, the transfer thereof, the income therefrom or the realization of profits on the sale thereof.

SCHOOL DISTRICT OF THE TOWNSHIP OF MILLCREEK

Erie County, Pennsylvania

\$12,017,391.60 General Obligation Bonds, Series of 1991

Current Interest Bonds Dated: August 1, 1991

Interest Payable: February 15 and August 15

Capital Appreciation Bonds Dated: Date of Authentication and delivery

First Interest Payment: February 15, 1992

The General Obligation Bonds, Series of 1991, in the aggregate principal amount of \$12,017,391.60 (the "Bonds") will be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds maturing in the years 1992-2003 (the "Current Interest Bonds") will pay interest semiannually on February 15 and August 15 each year, beginning February 15, 1992. The Bonds maturing in the years 2004-2011 (the "Capital Appreciation Bonds") will pay interest at maturity. The principal of the Bonds will be paid to the registered owners of their assigns, when due, upon surrender of the Bonds at the principal corporate trust office of First National Bank of Pennsylvania, Erie, Pennsylvania (the "Paying Agent"), acting as paying agent and sinking fund depository. Semiannual interest on the Current Interest Bonds when due will be paid by check or draft drawn on the Paying Agent mailed to the registered owners as of the Record Date (See "The Bonds" infra).

The Bonds are general obligations of the School District, payable from its tax and other general revenues. The School District has covenanted that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues of funds the principal of every Bond and the interest thereon at the date and place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and taxing power, which taxing power presently includes the power to levy ad valorem taxes on all taxable property within the School District presently unlimited as to rate or amount for such purpose (see "Security" infra).

The Current Interest Bonds are subject to redemption prior to maturity as more fully described herein (see "Redemption of Bonds"). The Capital Appreciation Bonds are not subject to redemption.

The proceeds of the Bonds will be used to provide funds: (1) to acquire, plan, design, construct, furnish and equip a new middle school, and (2) to pay the costs of issuing the Bonds.

The payment of the principal of and interest on the 1991 Bonds when due will be insured by a municipal bond insurance policy to be issued by Financial Guaranty Insurance Company simultaneously with the delivery of the Bonds.



Financial Guaranty Insurance Company

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GENERAL OBLIGATION BONDS, SERIES OF 1991 PRINCIPAL AMOUNTS AND INTEREST RATES

Current Interest Bonds

Year Due (August 15)	Amount	Rate	Price	Year Due (August 15)	Amount	Rate	Price
1992	\$150,000	5.00%	100	1998	\$325,000	6.20%	100
1993	155,000	5.20	100	1999	340,000	6.30	100
1994	190,000	5.40	100	2000	365,000	6.40	100
1995	225,000	5.60	100	2001	390,000	6.50	100
1996	285,000	5.80	100	2002	415,000	6.60	100
1997	305,000	6.00	100	2003	440,000	6.70	100

Capital Appreciation Bonds

Year Due (August 15)	Principal Amount	Maturity Value	Initial Offering Price	Approximate Yield to Maturity	Year Due (August 15)	Principal Amount	Maturity Value	Initial Offering Price	Approximate Yield to Maturity
2004	\$1,346,187.60	\$3,240,000	41.549	6.90%	2008	\$1,001,354.40	\$3,240,000	30.906	7.05%
2005	1,241,049.60	3,240,000	38.304	7.00	2009	934,318.80	3,240,000	28.837	7.05
2006	1,158,526.80	3,240,000	35.757	7.00	2010	863,848.80	3,240,000	26.662	7.10
2007	1,081,479.60	3,240,000	33.379	7.00	2011	805,626.00	3,240,000	24.865	7.10

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the receipt of the approving legal opinion of Knox McLaughlin Gornall & Sennett, P.C., Bond Counsel, of Erie, Pennsylvania, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon for the School District by Donald E. Wright, Esquire, of Erie, Pennsylvania, School District Solicitor. It is expected that the Bonds will be available for delivery in New York, New York on or about September 4, 1991.

ARTHURS, LESTRANGE & COMPANY, INCORPORATED
Pittsburgh, Pennsylvania

Official Statement and Tombstone Logotype Configuration



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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.

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: Latonia Dukes at (212) 607-3034 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
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270 Park Avenue, New York, New York
For credit to Financial Guaranty Insurance Company
Account #144-0-37056
Contact: Tony Forgione (212/270-8464)

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 John Van Cott (212) 607-3070.

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 John Van Cott (212) 607-3070 at least two business days prior to the closing date.

rights granted to the holders of such securities upon the occurrence of an event of default, without the consent of such holders, and that such holders may not exercise such rights without Financial Guaranty's consent, in each case so long as Financial Guaranty has not failed to comply with its payment obligations under its insurance policy; and (ii) that any amendment or supplement or other modification of the principal legal documents be subject to Financial Guaranty's consent. The specific rights, if any, granted to Financial Guaranty in connection with its insurance of the Bonds are set forth in the description of the principal legal documents appearing elsewhere in this Official Statement. Reference should be made as well to such description for a discussion of the circumstances, if any, under which the issuer of the Bonds is required to provide additional or substitute credit enhancement, and related matters.

This Official Statement contains a section regarding the ratings assigned to the Bonds and references should be made to such section for a discussion of such ratings and the basis for their assignment to the Bonds. Reference should be made to the description of the issuer for a discussion of the ratings, if any, assigned to such entity's outstanding parity debt that is not secured by credit enhancement.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

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 a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of December 31, 1991, the total capital and surplus of Financial Guaranty was approximately \$549,000,000. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 175 Water Street, New York, New York 10038, Attention: Communications Department (telephone number: (212) 607-3000) or to the New York State Insurance Department at 160 West Broadway, 18th Floor, New York, New York 10013, Attention: Property Companies Bureau (telephone number: (212) 602-0389).

EXHIBIT A

VERIFICATION REPORT

EXHIBIT B

NOTICE OF ADVANCE REFUNDING
OF ST. JOHNS COUNTY, FLORIDA
TRANSPORTATION IMPROVEMENT REVENUE BONDS
SERIES 1988

Notice is hereby given by The Citizens and Southern National Bank of Florida, Fort Lauderdale Florida, as Escrow Holder for St. Johns County, Florida, Transportation Improvement Revenue Bonds, Series 1988 (the "Bonds"), that the Bonds have been advance refunded by depositing in irrevocable escrow cash and obligations of the United States of America sufficient to pay the principal of and interest on the Bonds maturing on or before October 1, 1996, as the same shall mature and become payable in accordance with their terms, and for the payment on October 1, 1996, of the principal of, applicable redemption premium and accrued interest on all Bonds maturing after October 1, 1996, which Bonds have been called for redemption on October 1, 1996.

The maturity dates and CUSIP numbers of the Bonds are as follows:

Maturity Date
(October 1)

Principal Amount

CUSIP No.

Serial Bonds

Term Bonds

The Bonds are deemed to be no longer outstanding under the resolution of St. Johns County, Florida (the "Issuer"), authorizing the issuance of the Bonds.

Prior to October 1, 1996, the Issuer will not accelerate the maturity of the Bonds, or exercise any option to redeem the Bonds before maturity.

No representation is made as to the correctness of the CUSIP numbers either as printed on the Bonds or as contained herein and reliance may be placed only on the description of the Bonds.

Dated: _____, 1992.

The Citizens and Southern National,
Bank of Florida, as Escrow Holder

By _____
Title:

EXHIBIT D

Escrow Deposit Agreement

ESCROW DEPOSIT AGREEMENT

In consideration of the facts hereinafter recited and of the mutual covenants and agreements herein contained, ST. JOHNS COUNTY, a political subdivision created and existing under the laws of the State of Florida (the "Issuer"), and THE CITIZENS AND SOUTHERN NATIONAL BANK OF FLORIDA, Fort Lauderdale, Florida, a national banking association organized and existing under the laws of the United States of America, as Escrow Holder (the "Escrow Holder"), do hereby agree as follows:

Section 1. Definitions. Terms used herein shall have the respective meanings assigned in and by the Resolution hereinafter defined, and the following terms which are not defined in the Resolution shall have the following meanings, unless the text clearly otherwise requires:

"Aggregate Debt Service" shall mean, as of any particular date, the sum of the amounts of Annual Debt Service for all years with respect to which the Annual Debt Service shall remain unpaid. Aggregate Debt Service as of the date of the delivery of this Agreement is set forth in the Verification Report.

"Agreement" shall mean this Escrow Deposit Agreement.

"Annual Debt Service" shall mean, with respect to any year, the interest on the Refunded Obligations becoming due in such year and the principal of and premium, if any, on the Refunded Obligations maturing or becoming due in such year according to the Verification Report.

"Escrow Account" shall mean the Escrow Account created pursuant to the provisions of Section 3 of this Agreement.

"Escrow Requirement" shall mean, as of any particular date, the sum of an amount in cash in the Escrow Account and the principal amount of the Federal Securities held by the Escrow Holder pursuant to Section 4 hereof which, together with the interest which shall thereafter become payable on the Federal Securities, will be sufficient to pay Aggregate Debt Service, as each of the respective installments thereof shall become due.

"Federal Securities" shall mean direct obligations of the United States of America, none of which permit redemption prior to maturity at the option of the obligor, which obligations are set forth in the Verification Report, and such other obligations as may be purchased in accordance with Section 8 hereof.

"Refunded Obligations" shall mean the Issuer's outstanding Transportation Improvement Revenue Bonds, Series 1988.

"Resolution" shall mean Resolution No. _____ adopted by the Issuer on _____, 1992, as amended and supplemented from time to time, authorizing issuance of the Series 1992 Bonds and the execution and delivery of this Agreement.

"Series 1992 Bonds" shall mean the Issuer's Transportation Improvement Revenue Refunding Bonds, Series 1992, authorized pursuant to the Resolution.

"Verification Report" shall mean the Verification Report dated _____, 1992, issued by Deloitte & Touche, _____, Florida, independent certified public accountants, in connection with the issuance of the Series 1992 Bonds, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

Section 2. Recitals.

(a) The Issuer adopted the Resolution for the purpose of authorizing the issuance of the Series 1992 Bonds for the purpose of financing the cost of refunding the Refunded Obligations.

(b) The Resolution authorized the Issuer to enter into this Agreement for the purposes expressed therein and herein, and all acts and things have been done and performed to make this Agreement valid and binding for the security of the Refunded Obligations.

(c) The Escrow Holder has the powers and authority of a trust company under the laws of the United States of America and, accordingly, the power to execute the trust hereby created.

Section 3. Deposit of Funds. There is hereby created and established with the Escrow Holder a special account to be known as the "Escrow Account." Simultaneously with the execution and delivery of this Agreement, the Issuer has deposited with the Escrow Holder, for deposit by the Escrow Holder to the Escrow Account, a portion of the proceeds of the Series 1992 Bonds in the sum of \$ _____ and \$ _____ heretofore held by the Issuer for the payment of the principal of and interest on the Refunded Obligations, which when invested to the extent required to purchase the Federal Securities, the uninvested portion of such funds and the principal amount of such Federal Securities and the interest to become due thereon equals or exceeds the Escrow Requirement as of the date of the delivery of this Agreement. Such Federal Securities shall mature and such interest shall be payable on or before the funds represented thereby shall be required for timely payment of the principal of, premium, if any, and interest on the Refunded Obligations as the same shall become due and payable in accordance with their terms as described in the Verification Report.

The Escrow Holder shall hold the Escrow Account as a separate trust account wholly segregated from all other funds held by the Escrow Holder in any capacity and shall make disbursements from the Escrow Account only in accordance with the provisions of this Agreement. The Federal Securities described in the Verification Report shall not be sold or otherwise disposed of or reinvested except as provided in Sections 4 and 8 hereof. The owners of the Refunded Obligations are hereby granted a first and prior lien on the principal of and interest on such Federal Securities until the same shall be used and applied in accordance with the provisions of this Agreement.

Section 4. Use and Investment of Funds. The Escrow Holder acknowledges receipt of the cash described in Section 3 of this Agreement and agrees:

- (a) to hold the same in irrevocable escrow during the term of this Agreement;
- (b) to apply such cash and the proceeds of such Federal Securities in the manner provided in this Agreement, and only in such manner;
- (c) to invest immediately \$_____ thereof by purchasing the Federal Securities described in the Verification Report, attached hereto, [and to reinvest on ____ 1 of each year commencing ____ 1, 19__, and continuing through and including ____ 1, 20__, the respective amounts listed next to the applicable dates shown in the Verification Report by purchasing zero-yield U.S. Treasury Certificates of Indebtedness--State and Local Government Series maturing on the next succeeding ____ 1];
- (d) to retain \$_____ thereof in cash in the Escrow Account for application as shown in the Verification Report; and
- (e) to deposit in the Escrow Account, as received, the principal of all of such Federal Securities described in the Verification Report and any other Federal Securities acquired hereunder which shall mature during the term of this Agreement, all interest which shall be derived during the term of this Agreement from such Federal Securities described in the Verification Report and any other Federal Securities acquired hereunder, and the proceeds of any sale, transfer, redemption or other disposition of such Federal Securities described in the Verification Report and any other Federal Securities acquired hereunder.

All moneys held by the Escrow Holder pursuant to any provision of this Agreement, on deposit in the Escrow Account or otherwise, shall at all times be continually secured in the manner provided by Florida law for the securing of municipal funds.

Section 5. Payment of the Refunded Obligations and Expenses. The owners of the Refunded Obligations shall have a first and prior lien on the principal of and interest on the Federal Securities and all moneys held by the Escrow Holder in the Escrow Account, until all such moneys shall be used and applied by the Escrow Holder as provided in paragraph (a) below.

(a) **Refunded Obligations.** On each date which shall be an interest payment date for any of the Refunded Obligations, the Escrow Holder shall pay to the paying agent for the Refunded Obligations, from the moneys on deposit in the Escrow Account, a sum sufficient to pay that portion of Annual Debt Service due on such date, as shown in the Verification Report. After making such payments from the Escrow Account, the Escrow Holder, upon the written request of the Issuer, signed by the Chairman, shall pay to the Issuer any moneys remaining in said account in excess of the Escrow Requirement, for the Issuer to use for any lawful purpose, provided that, prior to any such payment, the Escrow Holder shall have received a verification report prepared by a nationally recognized firm of independent certified public accountants verifying the Escrow Requirement and that such moneys to be paid to the Issuer are in excess of the Escrow Requirement.

(b) **Fees, Expenses and Indemnity.**

- (i) In consideration of the services rendered by the Escrow Holder under this Agreement, the Issuer [upon the execution hereof has paid to the Escrow Holder a fee of \$ _____ for all services and ordinary expenses to be incurred as Escrow Holder] [shall pay the Escrow Holder a fee of \$ _____ annually payable in advance and shall pay all ordinary expenses incurred by the Escrow Holder] in connection with such services. The term "ordinary expenses" means expenses of holding, investing and disbursing the Escrow Account as provided herein.
- (ii) The Issuer shall also reimburse the Escrow Holder for any extraordinary expenses incurred by it in connection herewith. The term "extraordinary expenses" includes (a) expenses arising out of the assertion of any third party to any interest in the Escrow Account or any challenge to the validity hereof, including reasonable attorneys' fees, (b) expenses relating to any substitution under Section 8 hereof, and (c) expenses (other than ordinary expenses) not occasioned by the Escrow Holder's misconduct or negligence.
- (iii) The fees and expenses payable by the Issuer under this section shall not be paid from the Escrow Account, but shall be paid by the Issuer 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 Escrow Holder shall have no lien for the payment of its fees or expenses or otherwise for its benefit on the Escrow Account and hereby waives any rights of set off against the Escrow Account which it may lawfully have or acquire.

Section 6. Notice of Advance Refunding; Notice of Redemption. Within thirty (30) days after the issuance of the Series 1992 Bonds, the Escrow Holder shall give or cause to be given notice of the advance refunding of the Refunded Obligations, which notice shall be substantially in the form of the Notice of Advance Refunding attached hereto as Exhibit B. Such notice shall be sent by first class mail, postage prepaid, to each owner of Refunded Obligations at the address of such owner shown on the registration books maintained by the registrar for the Refunded Obligations, to the registrar for the Refunded Obligations, to Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania, and to one or more national information services that disseminate notices of advance refunding of obligations such as the Refunded Obligations.

The Issuer has called all Refunded Obligations maturing after October 1, 1996, for redemption on October 1, 1996, at a redemption price of 102% (expressed as a percentage of the principal amount of the Refunded Obligations to be redeemed), plus accrued interest to the redemption date. The Issuer acknowledges that it has given irrevocable instructions to the registrar for the Refunded Obligations to give notice of such call for redemption in the manner provided in the resolution of the Issuer pursuant to which the Refunded Obligations were issued.

Section 7. No Redemption or Acceleration of Maturity. Other than as provided in Section 6 hereof, the Issuer will not accelerate the maturity of any Refunded Obligations or exercise any option to redeem any Refunded Obligations before October 1, 1996.

Section 8. Reinvestment. Except as provided in Section 4 of this Agreement and in this Section, the Escrow Holder shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions for any Federal Securities held hereunder.

At the written request of the Issuer and upon compliance with the conditions stated in this Section, the Escrow Holder shall sell, transfer, or otherwise dispose of or request the redemption of any of the Federal Securities acquired hereunder and shall purchase either Refunded Obligations or other Federal Securities to be substituted for such Federal Securities disposed of or redeemed.

The Issuer will not request the Escrow Holder to exercise any of the powers described in the preceding sentence in any manner which will cause the Series 1992 Bonds or the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations proposed or promulgated thereunder.

The Escrow Holder may, at the written direction of the Issuer, substitute other noncallable Federal Securities ("Substitute Federal Securities") in lieu of the Federal Securities then on deposit in the Escrow Account provided that, prior to any such substitution, the Escrow Holder and the Issuer shall have received:

(a) New debt service and cash flow schedules showing (i) the dates and amounts of all principal and interest payments thereafter to become due on the Refunded Obligations, (ii) the cash and Federal Securities to be on deposit in the Escrow Account upon making such substitution, (iii) the dates and amounts of maturing principal and interest to be received by the Escrow Holder from such Federal Securities, and (iv) that the cash on hand in the Escrow Account plus cash to be derived from the maturing principal and interest of such Federal Securities shall be sufficient to pay when due all remaining debt service payments on the Refunded Obligations (the most recent debt service and cash flow schedules shall be considered to be the applicable "Debt Service and Cash Flow Schedules");

(b) A new verification report prepared by a nationally recognized firm of independent certified public accountants verifying the accuracy of the new Debt Service and Cash Flow Schedules (the most recent verification report shall be considered to be the applicable "New Verification Report" for purposes hereof); and

(c) An opinion of nationally recognized bond counsel to the effect that such substitution is permissible hereunder, that (based on said new Debt Service and Cash Flow Schedules and New Verification Report as to sufficiency) such substitution will not adversely affect the defeasance of the Refunded Obligations or the exclusion from gross income for federal income tax purposes of the interest, payable on the Series 1992 Bonds or the Refunded Obligations.

Section 9. Indemnity. Whether or not any action or transaction authorized or contemplated hereby shall be undertaken or consummated, the Issuer hereby agrees to the extent allowed by Florida law and from the sources described in Section 5(b)(iii) hereof to indemnify, protect, save and keep harmless the Escrow Holder and its respective successors, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and attorneys' disbursements and expenses) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Escrow Holder at any time, whether or not the same may be indemnified against by the Issuer or any other Person under any other agreement or instrument, by reason of or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance by the Escrow Holder of the funds herein described, the purchase, retention or disposition of the Federal Securities or the proceeds thereof, or any payment, transfer or other application of funds or securities by the Escrow Holder in accordance with the provisions of this Agreement; provided, however, that the Issuer shall not be required to indemnify the Escrow Holder for any expense, loss, costs, disbursements, damages or liability resulting from its own negligence or misconduct. The indemnities contained in this Section shall survive the termination of this Agreement.

Nothing in this Section contained shall give rise to any liability on the part of the Issuer in favor of any Person other than the Escrow Holder.

Section 10. Responsibilities of Escrow Holder. The Escrow Holder and its respective successors, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, by reason of the establishment of the Escrow Account, the acceptance and disposition of the various moneys and funds described herein, the purchase, retention or disposition of the Federal Securities or the proceeds thereof or any payment, transfer or other application of funds or securities by the Escrow Holder in accordance with the provisions of this Agreement or any non-negligent act, omission or error of the Escrow Holder made in good faith in the conduct of its duties. The Escrow Holder shall, however, be liable to the Issuer and to holders of the Refunded Obligations to the extent of their respective damages for negligent or willful acts, omissions or errors of the Escrow Holder which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Holder shall be determined by the express provisions of this Agreement. The Escrow Holder may consult with counsel, who may or may not be counsel to the Issuer, and be entitled to receive from the Issuer from the sources described in Section 5(b)(iii) hereof reimbursement of the reasonable fees and expenses of such counsel, and in reliance upon the opinion of such counsel have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Holder shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer.

Section 11. Resignation of Escrow Holder. The Escrow Holder may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer and published once in a newspaper of general circulation published in the territorial limits of the Issuer, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, not less than sixty (60) days before such resignation shall take effect. Such resignation shall take effect immediately upon the appointment of a new Escrow Holder hereunder, if such new Escrow Holder shall be appointed before the time limited by such notice and shall then accept the duties and obligations of the Escrow Holder hereunder.

Section 12. Removal of Escrow Holder.

(a) The Escrow Holder may be removed at any time by an instrument or concurrent instruments in writing, executed by the owners of not less than fifty-one per centum (51%) in aggregate principal amount of the Refunded Obligations then outstanding, such instrument or instruments to be filed with the Issuer, and notice published once in a newspaper of general circulation published in the territorial limits of the Issuer, and in a daily financial journal published in the Borough of Manhattan, City and State of New York, not less than sixty (60) days before such removal is to take effect as stated in said instrument or instruments. A

photographic copy of any instrument filed with the Issuer under the provisions of this paragraph shall be delivered by the Issuer to the Escrow Holder.

(b) The Escrow Holder may also be removed at any time by any court of competent jurisdiction upon the application of the Issuer or the owners of not less than five per centum (5%) in aggregate principal amount of the Refunded Obligations then outstanding for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Agreement with respect to the duties or obligations of the Escrow Holder.

Section 13. Successor Escrow Holder.

(a) If at any time hereafter the Escrow Holder shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Holder shall thereupon become vacant. If the position of Escrow Holder shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall appoint a successor Escrow Holder to fill such vacancy. The Issuer shall publish notice of any such appointment once in each week for four (4) successive weeks in a newspaper of general circulation published in the territorial limits of the Issuer and in a daily financial journal published in the Borough of Manhattan, City and State of New York.

(b) At any time within one year after such vacancy shall have occurred, the owners of not less than fifty-one per centum (51%) in aggregate principal amount of Refunded Obligations then outstanding, by an instrument or concurrent instruments in writing, executed by such owners and filed with the Governing Body of the Issuer, may appoint a successor Escrow Holder, which shall supersede any successor Escrow Holder theretofore appointed by the Issuer. Photographic copies of each such instrument shall be promptly delivered by the Issuer to the predecessor Escrow Holder and to the Escrow Holder so appointed by such owners.

(c) If no appointment of a successor Escrow Holder shall be made pursuant to the foregoing provisions of this Section, the owner of any Refunded Obligations then outstanding, or the retiring Escrow Holder may apply to any court of competent jurisdiction to appoint a successor Escrow Holder. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Holder.

(d) Every successor Escrow Holder appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Holder, without any further act, shall become full vested with all of the duties and obligations of its predecessor under this Agreement.

Section 14. Predecessor Escrow Holder. Every predecessor Escrow Holder shall deliver to its successor and also to the Issuer an accounting of all moneys and securities held by

it under this Agreement, and shall deliver to its successor all such moneys and securities held by it as Escrow Holder hereunder.

Section 15. Notices. All notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when mailed or delivered by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to the Issuer: St. Johns County, Florida
 County Administration Building
 4020 Lewis Speedway
 St. Augustine, FL 32095

 Attention: Chairman, Board of
 County Commissioners

If to the Escrow Holder: The Citizens and Southern National
 Bank of Florida
 One Financial Plaza, 13th Floor
 Fort Lauderdale, FL 33394

 Attention: Corporate Trust Department

Section 16. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Obligations and the interest thereon shall have been paid and discharged in accordance with the proceedings authorizing the Refunded Obligations and all excess moneys have been paid to the Issuer.

Section 17. Severability. If any of the covenants, agreements or provisions of this Agreement on the part of the Issuer or the Escrow Holder to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant, agreement or provision shall be null and void, shall be deemed separable from the remaining covenants, agreements and provisions of this Agreement and shall in no way affect the validity of the remaining covenants, agreements or provisions of this Agreement.

Section 18. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as the original and shall constitute and be but one and the same instrument.

Section 19. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their seals to be hereunto affixed and attested, all as of the ____ day of _____, 1992.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By _____
Chairman of its Board of County
Commissioners

ATTEST:

Clerk of its Board of County
Commissioners

THE CITIZENS AND SOUTHERN
NATIONAL BANK OF FLORIDA,
as Escrow Holder

(SEAL)

By _____
Title: _____

ATTEST:

Title: _____

EXHIBIT E

Reserve Account Insurance Policy Agreement

DEBT SERVICE RESERVE FUND POLICY AGREEMENT

AGREEMENT, dated as of _____, 1992, by and between ST. JOHNS COUNTY, FLORIDA (the "Issuer"), and FINANCIAL GUARANTY INSURANCE COMPANY (the "Insurer").

In consideration of the issuance by the Insurer of its Municipal Bond Debt Service Reserve Policy (the "Reserve Policy") with respect to the Issuer's Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "Bonds"), issued pursuant to Resolution No. _____ adopted by the Issuer on _____, 1992, as amended and supplemented from time to time (the "Resolution"), and all Additional Bonds, as defined in the Resolution, issued thereunder and secured by the Revenue Account established thereunder, the Insurer and the Issuer hereby covenant and agree as follows:

1. Upon any payment by the Insurer under the Reserve Policy, the Insurer shall furnish to the Issuer written instructions as to the manner in which repayment of amounts owed to the Insurer as a result of such payment shall be made.
2. The Issuer shall, solely from the moneys available in the Reserve Account deposited therein from the Restricted Revenue Account in accordance with the provisions of Section 4.05(A)(4) of the Resolution, repay the Insurer the principal amount of any draws under the Reserve Policy and related reasonable expenses incurred by the Insurer and shall pay interest thereon at a rate equal to the lower of (i) the prime rate of Morgan Guaranty Trust Company of New York in effect from time to time plus 2% per annum and (ii) the highest rate permitted by law.
3. Repayment of draws, expenses and the interest thereon (collectively, "Policy Costs") shall enjoy the same priority as the obligation to maintain and refill the Reserve Account.
4. Payment of Policy Costs shall commence in the first month following each draw, and each such monthly

payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw.

5. Amounts paid to the Insurer shall be credited first to interest due under the Reserve Policy and hereunder, then to the expenses due hereunder and then to principal due under the Reserve Policy and hereunder. As and to the extent that payments are made to the Insurer on account of principal due under the Reserve Policy and hereunder, the coverage under the Reserve Policy will be increased by a like amount.
6. If the Issuer shall fail to repay any Policy Costs in accordance with the requirements of the Resolution and this Agreement, the Insurer shall be entitled to exercise any and all remedies available under the Resolution other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect the Bondholders.
7. The Issuer shall ascertain the necessity for a claim upon the Reserve Policy and provide notice to the Insurer in accordance with the terms of the Reserve Policy at least two business days prior to each date upon which interest or principal is due on the Bonds.
8. All cash and investments in the Reserve Account shall be utilized for making required transfers to the Debt Service Fund for payment of debt service on the Bonds before making any draws on any alternative credit instrument. Repayment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all alternative credit instruments on which there is available coverage shall be made on a pro rata basis (calculated by reference to coverage then available under each such alternate credit instrument) after applying available cash and investments in the Reserve Account. Repayment of Policy Costs and reimbursement of amounts with respect to alternative credit instruments shall be made on a pro

rata basis (calculated by reference to the coverage then available under each such alternative credit instrument) prior to replenishment of any cash draws on the Reserve Account.

9. Other than as provided in Article VII of the Resolution, the Resolution shall not be modified or amended without the prior written consent of the Insurer and shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full.
10. As security for the Issuer's repayment obligations with respect to all Policy Costs and the Reserve Policy, the Insurer is hereby granted a security interest (subordinated only to that of the Bondholders) in all Pledged Funds in accordance with the Resolution.
11. The additional bonds test in Section 5.02(B) of the Resolution shall be calculated with at least one times coverage of the Issuer's obligations with respect to repayment of Policy Costs then due and owing. Furthermore, no Additional Bonds may be issued under the Resolution without the Insurer's prior written consent if any Policy Costs are past due and owing to the Insurer.
12. Notices to the Insurer shall be sent to the following address (or such other address as the Insurer may designate in writing): Financial Guaranty Insurance Company, 175 Water Street, New York, New York 10038 Attention: General Counsel.
13. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.
14. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the

validity or enforceability of the other provisions of this Agreement.

15. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Resolution.
16. This Agreement and the rights and obligations of the parties of the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date written above.

ST. JOHNS COUNTY, FLORIDA

By: _____
Name: Fred Brinkhoff
Title: Chairman of the Board of
County Commissioners of
St. Johns County, Florida

By: _____
Name: Carl "Bud" Markel
Title: Clerk of the Board of
County Commissioners of
St. Johns County, Florida

(SEAL)

FINANCIAL GUARANTY
INSURANCE COMPANY

By: _____
Name: _____
Title: _____

TRUTH-IN-BONDING STATEMENT

Pursuant to Section 218.385, Florida Statutes, as amended, St. Johns County, Florida (the "Issuer"), hereby provides the following truth-in-bonding statement in accordance with Sections 218.385(2) and (3), Florida Statutes, as amended:

The Issuer is proposing to issue \$12,185,000 of its Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds"), for the purpose of refunding the Issuer's outstanding Transportation Improvement Revenue Bonds, Series 1988. The Series 1992 Bonds are expected to be repaid over a period of fifteen (15) years. At the interest rate specified in the Bond Purchase Agreement dated the date hereof, between the Issuer and William R. Hough & Co., total interest paid over the life of the Series 1992 Bonds will be \$6,231,110. The source of repayment or security for the Series 1992 Bonds is the Issuer's portion of the six-cent local option gas tax distributed to the Issuer and the municipalities of St. Johns County by the Florida Department of Revenue from the state Local Option Gas Tax Trust Fund as described in the resolution of the Issuer authorizing the Series 1992 Bonds. Authorizing the Series 1992 Bonds will result in approximately \$1,204,700 of such revenues not being available to finance the other services of the Issuer each year for fifteen (15) years.

This truth-in-bonding statement is for informational purposes only and shall not affect or control the actual terms of the Series 1992 Bonds.

Date: July 9, 1992

ST. JOHNS COUNTY, FLORIDA

By Fred Bishop
Chairman of the Board of County
Commissioners

Certification and Report

Prepared by Public Financial Management, Inc.

Board of County Commissioners of St. Johns County, Florida
4020 St. Lewis Speedway
St. Augustine, Florida
Attn: Fred Brinkhoff, Chairman
c/o James G. Sisco, County Attorney

Dated: July 9, 1992

Per the request of St. Johns County, Public Financial Management, Inc. hereby certifies that the "*Average Annual Savings*" is \$21,000.54 as a result of the County refunding its outstanding Transportation Improvement Revenue Bonds, Series 1988. This amount is \$1,000.54 in excess of the \$20,000 minimum annual requirement set by the Board of County Commissioners during the meeting June 23, 1992. The true interest cost (assuming recovery of bond insurance and the original issue discount only) is 5.797%.

Based on our knowledge and experience in the issuance of tax-exempt debt, it is our opinion that the true interest cost, cost of issuance and the gross spread for the Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "1992 Bonds"), are fair and equitable to St. Johns County.

The breakdown of the cost of issuance is as follows:

Bond Counsel	\$21,000
Expenses (Estimate)	4,000
Financial Advisor (Estimate-Hourly)	22,500
Expenses (Estimate)	5,000
County Attorney	7,500
Moodys	11,500
Standard & Poors	9,000
Escrow Agent	2,700
Verification Agent	3,000
Printing & Mailing	4,000
Paying Agent	300

Bond Printing	2,200
Auditors	0
County Misc.	<u>1,300</u>
TOTAL	<u>\$94,000</u>

The final pricing of the 1992 Bonds resulted in a gross spread of:

Management Fee	\$1.14
Expenses	2.00**
Takedown	5.86
Risk	<u>0.00</u>
TOTAL	\$9.00

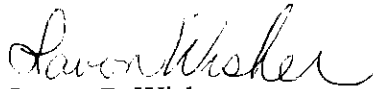
** Includes fee for Underwriter's Counsel

The market for the securities required to be deposited into the escrow account continued to increase in cost as a result of the July 2, 1992 Federal Reserve Board 0.50% cut in the discount rate. As a result, the County legally could earn up to 5.797% on the escrowed securities but was limited to 5.6426% due to current market conditions.

Accordingly, the aggregate purchase price set forth in the completed Bond Purchase Agreement dated July 9, 1992 proposed by William R. Hough & Co. for the sale of the 1992 Bonds is not less than the Minimum Purchase Price (as defined in St. Johns County Resolution No 92-104). Additionally, the final terms for the sale of the 1992 Bonds are within the Parameters established by the St. Johns County Resolution No. 92-104.

Sincerely,

PUBLIC FINANCIAL MANAGEMENT, INC.



Lavon P. Wisher
Managing Director

Average Annual Savings: Defined as the total savings divided by the number of years remaining in the bond issue. In this case it is calculated by dividing a total savings of \$318,974.94 by the number of years remaining of 15.189. This average annual savings is net of the costs required to issue the bonds.

BOND PURCHASE AGREEMENT

July 9, 1992

Board of County Commissioners
of St. Johns County, Florida
St. Johns County Administration
Building
4020 Lewis Speedway
St. Augustine, Florida 32095

Re: \$12,185,000 St. Johns County, Transportation
Improvement Revenue Refunding Bonds, Series 1992

Ladies and Gentlemen:

The Underwriter hereby delivers as Attachment I hereto the disclosure statement required by Chapter 218, Part III, Florida Statutes and proposes to purchase all of the Bonds from the County and to make a public offering of the Bonds subject to the acceptance of this proposal by the County on or before 5:00 o'clock p.m. local time then prevailing in St. Augustine, Florida, on the date hereof and subject to the following provisions:

Section 1. Definitions. The following terms shall have the following meanings in this Agreement unless another meaning is plainly intended:

(a) "Accountants" means Price Waterhouse, independent certified public accountants;

(b) "Agreement" means this Bond Purchase Agreement between the Underwriter and the County;

(c) "Bond Counsel" means Foley & Lardner;

(d) "Bonds" means the County's \$12,185,000 Transportation Improvement Revenue Refunding Bonds, Series 1992. The Bonds shall be issued under and secured as provided in the Resolution and shall have the maturities and interest rates and be subject to redemption as set forth on Annex A hereto;

(e) "Closing" refers to the transaction at which the Bonds are delivered by the County to the Underwriter, and paid for by the Underwriter, pursuant to this Agreement;

(f) "Closing Documents" means the documents described in Section 8 hereof and required to be delivered to the Underwriter at the Closing;

(g) "Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder and otherwise in effect;

(h) "County" means St. Johns County, Florida, a political subdivision organized and existing under the laws of the State of Florida;

(i) "County's Counsel" means James G. Sisco, Esquire;

(j) "Final Official Statement" means the Official Statement of the County, relating to the Bonds, dated the date hereof;

(k) "Interlocal Agreement" means the Amendment to Interlocal Agreement between the County and the City of St. Augustine executed on June 10, 1986 by the County.

(l) "Official Statements" means the Final Official Statement and the Preliminary Official Statement;

(m) "Preliminary Official Statement" means the Preliminary Official Statement of the County relating to the Bonds dated June 26, 1992;

(n) "Refunded Bonds" means the County's \$11,355,000 Transportation Improvement Revenue Bonds, Series 1988;

(o) "Resolution" means Resolution No. 92-103 of the County, as amended and supplemented, authorizing the issuance of the Bonds;

(p) "Underwriter" means William R. Hough & Co., acting for and on behalf of itself and such other securities dealers, if any, as may from time to time be designated by the Underwriter;

(q) "Underwriter's Counsel" means Rogers, Towers, Bailey, Jones & Gay;

(r) "Verification Report" means the report, dated the date of the Closing, of Deloitte & Touche, to the effect that it has verified (a) the sufficiency of cash plus the maturing principal amounts of the eligible investments on deposit in the escrow account established pursuant to the escrow deposit agreement executed in connection with the defeasance of the Refunded Bonds and interest to be earned on such eligible investments, to pay, when due, interest on the Refunded Bonds and to pay, on the due dates or call date, the principal of or redemption price of the Refunded Bonds, and (b) certain mathematical computations

Board of County Commissioners
of St. Johns County, Florida
July 9, 1992
Page 3

supporting conclusions that the Bonds are not "arbitrage bonds" under the Code.

Section 2. Purchase Price. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter shall purchase and the County shall sell all, but not less than all, of the Bonds at an aggregate purchase price of \$11,996,300 (net of an underwriting discount of \$109,665 and an original issue discount for current interest bonds of \$79,035) plus accrued interest thereon from July 1, 1992 to the date of Closing in the case of current interest bonds.

Section 3. Public Offering. The Underwriter shall make a bona fide public offering of the Bonds at prices not in excess of the initial offering price or prices (or at yields not lower than the yield or yields) set forth in the Final Official Statement, plus accrued interest on the Bonds. The Underwriter represents that, based on prevailing market conditions, they have no reason to believe that any of the Bonds will be initially sold to the public (excluding bond houses, brokers or similar organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices (or yields lower than the yields) shown on the cover of the Final Official Statement, plus accrued interest. The Underwriter shall sell at least 10% of the Bonds of each maturity to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown on the cover of the Final Official Statement, or in the case of discount obligations sold on a yield basis, at yields no lower than the yields shown on such cover, plus accrued interest on the Bonds. The Underwriter reserves the right to change such initial public offering prices as the Underwriter deems necessary in connection with the marketing of the Bonds.

Section 4. Good Faith Check. Delivered to the County herewith is a good faith check payable to the order of the County in the amount of \$121,850 as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds on the Closing Date referred to in Section 7 hereof (the "Closing Date") in accordance with the provisions hereof. The County shall hold such check uncashed until the Closing Date. The proceeds of such check is hereinafter called "Earnest Money." In the event of the Underwriter's compliance with its obligations hereunder, the uncashed good faith check shall be returned to the Underwriter on the Closing Date upon payment to the County as provided in Section 7 hereof, of the purchase price of the Bonds plus accrued interest. In the event of the County's failure to tender the Bonds on the Closing Date, or if the County shall be unable on the Closing Date to satisfy the conditions to the obligations of the Underwriter

contained herein, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, the uncashed good faith check shall be immediately returned to the Underwriter. If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds upon tender thereof by the County on the Closing Date as herein provided, the County may cash the good faith check and the Earnest Money shall be retained by the County as and for full agreed upon liquidated damages to the County, and not as a penalty, for such failure; it being understood and agreed by the parties hereto that the actual amount of damages caused by such failure to accept and pay for the Bonds may be difficult to ascertain.

Section 5. Representations of County. The County represents to the Underwriter that: (a) on the date hereof and on the date of the Closing, unless disclosed in the Final Official Statement, the statements and information contained in the Official Statements are and will be true and complete in all material respects, and the Official Statements do not and will not omit any statement or information which is necessary to make the statements and information therein, in light of the circumstances under which they are made, not misleading; (b) the Official Statements do not and will not omit any information with respect to the County or its business, properties and affairs which might in a material respect adversely or unfavorably affect the transactions contemplated by the Official Statements; (c) when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered by the County and, upon being authenticated by the Registrar, will constitute valid, binding and enforceable obligations of the County of the character referred to in the Official Statements, in conformity with, and entitled to the benefit and security of, the Resolution, except that the enforceability of such obligations are subject to applicable bankruptcy, reorganization, insolvency and other similar laws affecting creditors' rights generally; (d) the County is empowered and has been duly authorized to enter into this Agreement, to adopt the Resolution, to enact Ordinance 86-61 and to execute and deliver the Interlocal Agreement; (e) the execution and delivery of this Agreement, the Bonds and compliance with the provisions thereof, under the circumstances contemplated herein and therein, will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument to which the County is a party, or any existing law, administrative regulation, court order or consent decree to which the County is subject; (f) the County has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon; (g) the County has never been in default at any

time after December 31, 1975, as to principal of or interest on any obligation pledging the ad valorem taxes or the revenues of the County which it has issued, and to the best of its knowledge, has never been in default at any time after December 31, 1975, as to principal or interest on any other obligation which it has issued; (h) all approvals, consents and orders, if any, of any governmental body having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations under the Resolution and this Agreement have been obtained and are in full force and effect; (i) subsequent to the date of the last audited financial statements contained in the Official Statements, there have been no material adverse changes in the assets, liabilities or condition of the County, financial or otherwise, and neither the business, the properties, nor the affairs of the County have been adversely affected in any substantial way as the result of any fire, explosion, accident, strike, riot, flood, windstorm, earthquake, embargo, war or act of God or of the public enemy; and (j) the Preliminary Official Statement is deemed final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, as of its date, except for omissions of no more than the following information: the offering price(s), the interest rate(s), selling compensation, aggregate principal amount, amount per maturity, delivery date, ratings and other terms depending on such matters.

Section 6. Final Official Statement; Public Offering.

The County shall prepare and deliver to the Underwriter as promptly as practicable, but in any event, not later than within seven (7) business days after the acceptance by the County of this Agreement 400 copies of the Final Official Statement, together with all supplements and amendments thereto, substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter (acceptance to be conclusively presumed by the Underwriter's payment for the Bonds), ten copies of which shall be signed on behalf of the County by the Chairman or the Vice Chairman of its Board of County Commissioners. The County agrees that the Official Statements and copies of the Resolution and comparative financial statements of the County may be used by the Underwriter in the public offering of the Bonds; and that they will cooperate with the Underwriter if the Underwriter decides to qualify the Bonds under the securities acts of any state; provided, however, the County shall not be required to register as a dealer or broker in any such state or to qualify to do business in connection with any such qualification of the Bonds for sale in any state.

Section 7. Closing, Delivery and Payment. The Bonds shall be printed or lithographed on steel engraved borders as fully registered Bonds in the denomination of \$5,000 each or integral

Board of County Commissioners
of St. Johns County, Florida
July 9, 1992
Page 6

multiples thereof as requested by the Underwriter prior to the Closing, and shall be made available for checking and packaging by representatives of the Underwriter in New York, New York, at a place designated by the Underwriter, not less than 24 hours prior to the Closing.

The Closing shall be held beginning at 9:00 o'clock a.m., July 23, 1992, at the offices of Foley & Lardner, Jacksonville, Florida, or at such later time and other place as is mutually agreeable to the Underwriter and the County. At the Closing, the Underwriter shall accept the delivery of the Bonds from the County and shall make payment therefor as provided herein in immediately available funds upon (i) tender of the definitive Bonds to the Underwriter by the County; and (ii) the delivery by the County to the Underwriter of all of the Closing Documents.

Section 8. Closing Documents. The Closing Documents shall consist of the following, each properly executed, certified or otherwise verified, dated as of the date of Closing, and in such form, as may be satisfactory to Bond Counsel, the Underwriter and Underwriter's Counsel, including, but not limited to, the matters hereinafter set forth:

(a) A certified copy of (i) the Resolution, (ii) Ordinance 86-61, and (iii) the Interlocal Agreement, all as amended and supplemented to the date of Closing;

(b) The County's closing certificate confirming (i) the representations made by the County herein; (ii) other than as disclosed in the Final Official Statement, that there is no litigation pending or, to its knowledge, threatened to restrain or enjoin the issuance or delivery of the Bonds or in any way contesting or affecting any authority for the issuance of the Bonds, or the validity of the Bonds, the Resolution, or in any way contesting the existence or the powers of the County; (iii) other than as disclosed in the Final Official Statement, that there is no litigation pending or, to its knowledge, threatened against or affecting the County or involving any of the businesses, properties or affairs of the County which involves the possibility of any judgment or liability which may result in any material adverse change in the properties, businesses or assets or in the condition, financial or otherwise, of the County; (iv) the application of the proceeds of the sale of the Bonds as described in the Resolution; and (v) other than as disclosed in the Final Official Statement the adoption and present effectiveness of all reasonable resolutions or ordinances of the County requested by Bond Counsel and Underwriter's Counsel, in connection with the transactions contemplated hereby, together with copies of said resolutions and ordinances;

(c) The unqualified approving opinion of Bond Counsel, dated the date of Closing, substantially in the form of Appendix D of the Preliminary Official Statement;

(d) An opinion of Bond Counsel in form satisfactory to the Underwriter and Underwriter's Counsel regarding the federal income tax treatment of the original issue discount;

(e) A reliance letter of Bond Counsel, dated the date of Closing, addressed to the Underwriter to the effect that the Underwriter may rely on the opinions of Bond Counsel described in paragraphs (c) and (d) above as if such opinions were addressed to it;

(f) A supplemental opinion of Bond Counsel, dated the date of Closing, addressed to the Underwriter and the County to the effect that: (i) the information contained in the Final Official Statement under the headings "SUMMARY STATEMENT--Authority and Security for the 1992 Bonds," "REFUNDING PLAN," "DESCRIPTION OF THE 1992 BONDS," "AUTHORITY AND SECURITY FOR THE 1992 BONDS," "LEGAL MATTERS," "TAX MATTERS," "MISCELLANEOUS" (pertaining to Section 517.051, Florida Statutes, as amended) and "APPENDIX C--The Resolution" are accurate statements or summaries of the matters set forth therein and fairly present the information purported to be shown, and nothing has come to its attention which would lead it to believe that such sections of the Final Official Statement contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances in which they were made, not misleading; and (ii) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

(g) An opinion of the County's Counsel (which may assume that the interest on the Bonds is excluded from gross income for federal income tax purposes and that neither the Bonds, this Agreement, the Resolution, or any other matter or documents need to be registered or qualified under the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, Chapter 517, Florida Statutes, or the securities or blue sky laws of any jurisdiction) to the effect that (i) the County is a political subdivision organized and validly existing under the laws of the State of Florida and has all the necessary power and authority to issue the Bonds and enter into this Agreement; (ii) other than as disclosed in the Final Official Statement, this Agreement, the Interlocal Agreement and the Bonds have been duly authorized, executed and delivered by the County and, with respect to this Agreement, assuming due execution hereof by the Underwriter, with

respect to the Interlocal Agreement, assuming due execution and delivery by the City of St. Augustine, and, with respect to the Bonds, assuming proper authentication thereof by the Registrar, constitute legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency and other similar laws affecting the enforcement of creditors' rights generally, and no opinion need be expressed as to the availability of any discretionary equitable remedy; (iii) the County has approved the Final Official Statement and the execution and delivery thereof to the purchasers of the Bonds; (iv) the execution and delivery of the Bonds and this Agreement, the adoption of the Resolution, the enactment of Ordinance 86-61 and the issuance of the Bonds pursuant to the Resolution, and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any existing law, regulation, court order or consent decree to which the County is subject; (v) nothing has come to his attention which would lead him to believe that the Final Official Statement (with the exception of financial and statistical information) contains an untrue statement of a material fact, or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (vi) other than as disclosed in the Final Official Statement, no litigation or proceeding is pending or to the best of his knowledge is threatened against or affecting the County to restrain or enjoin the issuance or delivery of the Bonds or in any way contesting or affecting any authority for the issuance of the Bonds, or the validity of the Bonds or of this Agreement, or in any way contesting the existence or the powers of the County; (vii) other than as disclosed in the Final Official Statement, no litigation or proceeding is pending or to the best of his knowledge is threatened against or affecting the County or involving any of the business, property or affairs of the County which involves the possibility of any judgment or liability which may result in any material adverse change in the financial condition of the County and (viii) the County has obtained the consents, approvals, authorizations or other orders of all municipal, state or regulatory authorities required for the issuance of the Bonds;

(h) The Accountants' consent to the use of their report in the Official Statements and to the references to their firm therein;

(i) Appropriate arbitrage certifications and agreements by the County in form and substance satisfactory to Bond Counsel and Underwriter's Counsel;

(j) A municipal bond insurance policy issued by Financial Guaranty Insurance Company insuring the payment of the principal of and interest on the Bonds when due;

(k) A Reserve Account Insurance Policy (as defined in the Resolution) issued by Financial Guaranty Insurance Company with respect to the Reserve Account Requirement (as defined in the Resolution) allocable to the Bonds;

(l) Appropriate evidence that the Bonds have been assigned ratings of Aaa by Moody's Investors Service, AAA by Standard & Poor's Corporation and AAA by Fitch Investors Service, Inc.;

(m) The Verification Report manually signed by Deloitte & Touche;

(n) A certificate of the Registrar and Paying Agent relating to the incumbency of its officers and its power to serve as Registrar and Paying Agent in form and substance acceptable to Bond Counsel and Underwriter's Counsel;

(o) A certificate of the escrow agent for the Refunded Bonds relating to the incumbency of its officers and its power to serve as escrow agent, in form and substance acceptable to Bond Counsel and Underwriter's Counsel;

(p) The opinion of Underwriter's Counsel, dated the date of Closing, in form and substance acceptable to the Underwriter;

(q) Such additional legal opinions, certificates, instruments and other documents and such multiple copies of the above listed documents as the Underwriter, Underwriter's Counsel or Bond Counsel may reasonably request to evidence compliance by the County with legal requirements; the truth and accuracy, as of the date of Closing, of the respective representations contained herein and in the Final Official Statement; and the due performance or satisfaction by them of all agreements to be performed by them and all conditions to be satisfied by them at or prior to the Closing.

Section 9. Termination by Underwriter. This Agreement may be terminated in writing prior to the Closing by the Underwriter if any of the following shall occur: (i) this Agreement shall not have been accepted by the County within the time herein provided; (ii) the signed Final Official Statement and the Comfort Letter shall not have been provided within the time required by this Agreement; (iii) the Bonds and all of the Closing Documents shall not have been delivered to the Underwriter as of 2:00 p.m.

(unless such time shall have been extended by mutual agreement of the parties hereto) on the date of Closing; (iv)(a) legislation shall have been enacted by the Congress, or introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (b) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (c) an order, ruling, regulation or communication (including a press release) shall have been issued by the Treasury Department of the United States, the Internal Revenue Service or the Securities and Exchange Commission, or (d) any action shall be taken or statement made by or on behalf of the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, which indicates or implies that interest on obligations such as the Bonds may not be excludable from gross income for federal income tax purposes or that legislation will be introduced in the next scheduled session of the United States Congress, in each case referred to in clauses (a), (b), (c) and (d), with the purpose or effect, directly or indirectly, of (x) imposing federal income taxation upon interest to be received by any holders of the Bonds or (y) requiring the offer or sale of the Bonds to be registered under the Securities Act of 1933 or the Resolution to be qualified as an indenture under the Trust Indenture Act of 1939; (v) there shall exist any event or circumstance which, in the reasonable opinion of the Underwriter, either makes untrue or incorrect in a material respect any statement or information contained in the Final Official Statement, or any event or circumstance is not reflected in the Final Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in a material respect; (vi) there shall have occurred any outbreak of hostilities or other national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America being such as in the reasonable opinion of the Underwriter, would make it impracticable for the Underwriter to sell the Bonds; (vii) there shall be in force a general suspension of trading on the New York Stock Exchange, or any other major United States stock exchange, or minimum or maximum prices for trading shall have been fixed and be in force; (viii) in the reasonable judgment of the Underwriter the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be adversely affected because: (a) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any

United States governmental authority or by any United States national securities exchange, or (b) the New York Stock Exchange or other United States national securities exchange, or any United States governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; (ix) a general banking moratorium shall have been declared by either federal, New York or Florida authorities having jurisdiction, and shall be in force; or (x) there shall have occurred any material adverse change in the affairs of the County.

Section 10. Termination by County. This Agreement may be terminated in writing by the County in the event that the Underwriter shall fail to accept delivery of the Bonds on the Closing Date upon tender thereof to the Underwriter by the County, and delivery to the Underwriter of all of the Closing Documents. Such termination shall not affect the County's rights to the Earnest Money.

Section 11. Changes Affecting the Final Official Statement After the Closing. After the Closing, and so long as the Underwriter or any participating dealer shall be offering Bonds which constitute the whole or a part of their unsold participations, but in no event later than 90 days after the Closing, the County will not adopt any amendment of or supplement to the Final Official Statement except with the written consent of the Underwriter, which consent shall not be unreasonably withheld; and during such period of time, if any event relating to or affecting the County shall occur the result of which shall make it necessary, in the reasonable opinion of the (i) County or (ii) Underwriter or Underwriter's Counsel, to amend or supplement the Final Official Statement in order to make it not misleading in the light of the circumstances existing at that time, the County shall forthwith prepare and furnish to the Underwriter, at the County's expense, a reasonable number of copies of an amendment of or supplement to the Final Official Statement in form and substance satisfactory to the Underwriter, so that it then will not contain an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading.

Section 12. Expenses. The Underwriter shall pay its own out-of-pocket expenses, the fees and expenses of Underwriter's Counsel, and the fees and expenses in connection with the preparation of the Legal Investment Survey and Blue Sky Memoranda and the registration of the Bonds for "Blue Sky" purposes.

Board of County Commissioners
of St. Johns County, Florida
July 9, 1992
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The County shall pay all of the other costs and expenses in connection with the financing contemplated by this Agreement, including, but not limited to: (i) the fees and expenses of Bond Counsel, Counsel to the County and the expenses of the County, if any; (ii) fees and expenses incurred for the preparation of the Comfort Letter, the Verification Report, and the fees and expenses of any other experts or consultants; (iii) the cost of preparation and printing of the Bonds; (iv) the cost of printing and duplication for the Official Statements and any amendments or supplements thereto; (v) bond rating agency fees; and (vi) premium and fees for the municipal bond insurance policy.

Section 13. Notices. Any notice or other communication to be given to the County under this Agreement may be given by delivering the same in writing to the address set forth above; and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the Underwriter addressed to William R. Hough & Co., 200 West Forsyth Street, Suite 1440, Jacksonville, Florida 32202-4370.

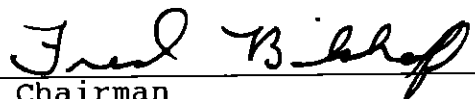
Section 14. Parties and Interests; County's Undertakings; Survival of Representations. This Agreement is made solely for the benefit of the County and the Underwriter, including the successors and assigns of the Underwriter, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof except as provided in Section 12 hereof. All representations and agreements by the County in this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Underwriter, and shall survive the delivery of and payment for the Bonds.

WILLIAM R. HOUGH & CO.

By: 
Senior Vice President

Accepted by the Board of County Commissioners of St. Johns County, Florida on July 9, 1992

(SEAL)

By: 
Chairman

ATTACHMENT 1

*WILLIAM R. HOUGH & CO.
200 W. Forsyth Street, Suite 1440
Jacksonville, Florida 32202*

July 9, 1992

Chairman and Members of the
Board of County Commissioners
of St. Johns County, Florida
St. Augustine, Florida

Re: \$12,185,000 St. Johns County, Florida Transportation
Improvement Revenue Refunding Bonds, Series 1992

Ladies and Gentlemen:

Pursuant to Florida Statutes, Section 218.385(4), the following information is provided in connection with the sale of the captioned obligations (the "Bonds").

1. The estimated amount of expenses which the managing underwriter expects to incur with respect to the Bonds is as follows:

Clearance.....	\$.20 per \$1,000
Underwriter's Counsel.....	\$1.20 per \$1,000
Miscellaneous Expenses.....	\$.35 per \$1,000
MSRB, PSA, CUSIP.....	\$.10 per \$1,000
Federal Funds and day loan.....	\$.15 per \$1,000

2. There are no finders, as defined in Section 218.386, Florida Statutes, who have been employed by the managing underwriter in connection with the issuance of the Bonds.

3. The amount of underwriting spread expected to be realized with respect to the Bonds is \$9.00 per \$1,000 which includes \$ -0- per \$1,000 for risk and \$5.86 per \$1,000 for takedown.

4. The management fee to be charged by the managing underwriter is \$1.14 per \$1,000.


5. No fee, bonus or other compensation is to be paid by the managing underwriter in connection with the Bonds to any person not regularly employed or retained by it, other than underwriter's counsel as described above.

6. The managing underwriter is William R. Hough & Co., 200 W. Forsyth Street, Suite 1440, Jacksonville, Florida 32202.

Very truly yours,

WILLIAM R. HOUGH & CO.

By: _____



Mitchell N. Owens
Senior Vice President

ANNEX A

MATURITIES, AMOUNTS AND INTEREST RATES
\$8,015,000 Serial Bonds

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or</u> <u>Yield</u>	<u>Maturity</u> <u>October 1,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or</u> <u>Yield</u>
1992	\$185,000	2.900%	100	1998	\$695,000	5.000%	5.05
1993	570,000	3.000	100	1999	730,000	5.200	5.25
1994	585,000	4.000	100	2000	770,000	5.400	5.45
1995	610,000	4.450	100	2001	810,000	5.500	5.55
1996	635,000	4.625	4.70	2002	855,000	5.600	5.65
1997	665,000	4.750	4.85	2003	905,000	5.700	5.75

\$4,170,000 6.000% Term Bonds due October 1, 2007—Price—98-5/8%
(Plus Accrued Interest)

REDEMPTION PROVISIONS

The 1992 Bonds maturing October 1 of the years 1992 through 2000, inclusive, are not subject to redemption prior to maturity. The 1992 Bonds maturing October 1, 2001, through October 1, 2007, are redeemable, at the option of the County, in part, by such method as the Registrar shall deem fair and appropriate, within a maturity if less than an entire maturity is to be redeemed, on October 1, 2000 or on any interest payment date thereafter, or as a whole on October 1, 2000 or at any time thereafter, at the following redemption prices (expressed as percentages of the principal amount (or, in the case of Capital Appreciation Bonds, the Accreted Value thereof) to be redeemed) set forth below, plus accrued interest to the redemption date:

<u>Redemption Periods</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Prices</u>
October 1, 2000 to September 30, 2001	102½
October 1, 2001 to September 30, 2002	101
October 1, 2002 and thereafter	100

The 1992 Bonds maturing October 1, 2007 are subject to mandatory redemption prior to maturity by such method as the Registrar shall deem fair and appropriate at a redemption price equal to the following Amortization Installment thereof and accrued interest thereon to the date fixed for redemption, without premium, from amounts on deposit in the Bond Amortization Account as follows:

October 1,

Amortization Installment

2004	\$ 955,000
2005	1,010,000
2006	1,070,000
2007	1,135,000