

RESOLUTION NO. 2003- 213

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 92-103 ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, ON JUNE 23, 1992; AUTHORIZING THE ISSUANCE BY THE COUNTY OF NOT EXCEEDING \$30,000,000 AGGREGATE PRINCIPAL AMOUNT OF TRANSPORTATION IMPROVEMENT REVENUE BONDS, SERIES 2003, TO FINANCE ALL OR A PART OF THE COST OF THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN CAPITAL TRANSPORTATION PROJECTS WITHIN ST. JOHNS COUNTY, FLORIDA; PLEDGING TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2003 BONDS THE COUNTY'S PORTION OF THE PROCEEDS OF THE SIX-CENT LOCAL OPTION FUEL TAX DISTRIBUTED TO THE COUNTY AND ITS MUNICIPALITIES; AUTHORIZING A NEGOTIATED SALE AND THE AWARD OF THE SALE OF THE SERIES 2003 BONDS, AND APPROVING THE CONDITIONS AND CRITERIA FOR SUCH SALE; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2003 BONDS; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE SERIES 2003 BONDS; APPOINTING THE REGISTRAR AND PAYING AGENT FOR THE SERIES 2003 BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A REGISTRAR AND PAYING AGENCY AGREEMENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; RATIFYING THE COUNTY'S ACCEPTANCE OF THE INSURER'S COMMITMENT RELATING TO A FINANCIAL GUARANTY INSURANCE POLICY WITH RESPECT TO THE SERIES 2003 BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDERS OF THE SERIES 2003 BONDS; AND PROVIDING AN EFFECTIVE DATE.

TABLE OF CONTENTS

ARTICLE 1

GENERAL

Section 1.1	Definitions.....	1
Section 1.2	Authority for Supplemental Resolution.....	3
Section 1.3	Supplemental Resolution to Constitute Contract.....	3
Section 1.4	Findings.....	3
Section 1.5	Authorization of 2003 Project.....	5
Section 1.6	Ratification of Acceptance of Insurance Commitment.....	5

ARTICLE 2

AUTHORIZATION AND TERMS OF SERIES 2003 BONDS

Section 2.1	Authorization of Series 2003 Bonds.....	6
Section 2.2	Description of Series 2003 Bonds.....	6
Section 2.3	Payment of Series 2003 Bonds.....	6
Section 2.4	Book-Entry Only.....	7
Section 2.5	Application of Series 2003 Bond Proceeds.....	8
Section 2.6	Form of Series 2003 Bonds.....	8

ARTICLE 3

COVENANTS AND SECURITY FOR SERIES 2003 BONDS

Section 3.1	Series 2003 Bonds not to be Indebtedness of Issuer.....	16
Section 3.2	Security for Series 2003 Bonds.....	16
Section 3.3	Application of Provisions of Original Resolution.....	17
Section 3.4	Financial Guaranty Insurance.....	17

ARTICLE 4

SALE OF 2003 BONDS; APPROVAL OF DOCUMENTS

Section 4.1	Sale of the Series 2003 Bonds; Authorization of Execution of Purchase Contract.....	23
Section 4.2	Approval of Draft Preliminary Official Statement and Preliminary Official Statement and Authorization of Official Statement.....	25
Section 4.3	Registrar and Paying Agent; Authorization of Execution and Delivery of Registrar and Paying Agency Agreement.....	25
Section 4.4	Authorization of Execution and Delivery of Continuing Disclosure Certificate.....	25
Section 4.5	Authorization of Execution of Certificates and Other Instruments.....	26

ARTICLE 5

MISCELLANEOUS

Section 5.1	General Authority.	26
Section 5.2	No Personal Liability.	27
Section 5.3	No Third Party Beneficiaries.	27
Section 5.4	Severability of Invalid Provisions.	27
Section 5.5	Table of Contents and Headings not Part Hereof.	27
Section 5.6	Effective Date.	1

Exhibit A	--	Insurer's Commitment
Exhibit B	--	Purchase Contract
Exhibit C	--	Draft Preliminary Official Statement
Exhibit D	--	Registrar and Paying Agency Agreement
Exhibit E	--	Continuing Disclosure Certificate
Exhibit F	--	Description of the 2003 Project

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

ARTICLE 1

GENERAL

Section 1.1 Definitions.

When used in this Supplemental Resolution, the terms defined in the Original Resolution shall have the respective meanings assigned to such terms in the Original Resolution and the following terms shall have the following meanings, unless the context clearly otherwise requires:

“2003 Project” shall mean all or part of the capital transportation projects described in Exhibit F attached hereto and incorporated herein, consisting of expenditures for transportation capital projects in the County described in the program areas listed in Section 336.025, Florida Statutes, as amended, including construction and reconstruction of roads, construction and acquisition of road improvements, purchase of wetlands for environmental mitigation purposes pertaining to roadways, stormwater and drainage improvements for roads and road rights-of-way, and repairs to various bridges, with such changes, deletions, additions or modifications as shall be designated and approved by Supplemental Resolution in accordance with the Act, to be financed with the proceeds of the Series 2003 Bonds.

“Act” shall mean Section 125, Part I, Florida Statutes, as amended; St. Johns County Ordinance 86-89, as amended; Section 336.025, Florida Statutes, as amended; St. Johns County Ordinance 86-61; St. Johns County Ordinance enacted November 4, 2003 reimposing the six-cent local option fuel tax pursuant to Section 336.025, Florida Statutes, as amended; and other applicable provisions of law.

“Bonds” shall mean the Series 2003 Bonds, the Parity Obligations and any Additional Bonds.

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

“Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate of the Issuer with respect to the Series 2003 Bonds, substantially in the form attached hereto as Exhibit E and incorporated herein by reference.

“County Administrator” shall mean the County Administrator of the Issuer.

“Depository” shall mean any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of beneficial interests in Series 2003 Bonds, and to effect transfers of Series 2003

Bonds, in Book Entry Form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Draft Preliminary Official Statement” shall mean the preliminary official statement relating to the Series 2003 Bonds, substantially in the form attached hereto as Exhibit C and incorporated herein by reference.

“Financial Advisor” shall mean Public Financial Management, Inc.

“Financial Guaranty Insurance Policy” shall mean the financial guaranty insurance policy to be issued by the Insurer insuring the payment when due of the principal of and interest on the Series 2003 Bonds as provided therein.

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

“Insurer” shall mean Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

“Original Resolution” shall mean Resolution No. 92-103 adopted by the Governing Body on June 23, 1992, as heretofore supplemented.

“Parity Obligations” shall mean the Issuer’s outstanding Transportation Improvement Revenue Refunding Bonds, Series 2002, dated September 15, 2002.

“Purchase Contract” shall mean the Bond Purchase Agreement to be executed by the Issuer and the Underwriter, substantially in the form attached hereto as Exhibit B and incorporated herein by reference.

“Registrar and Paying Agency Agreement” shall mean, with respect to the Series 2003 Bonds, the Registrar, Paying Agent and Authenticating Agent Agreement, between the Issuer and the Registrar and Paying Agent, substantially in the form attached hereto as Exhibit D and incorporated herein by reference.

“Registrar and Paying Agent” shall mean, with respect to the Series 2003 Bonds, the Person designated to act as Registrar, Paying Agent and Authenticating Agent under the Registrar and Paying Agency Agreement pursuant to Section 4.3 hereof and its successors and assigns.

“Resolution” shall mean the Original Resolution, as supplemented by this Supplemental Resolution, and as the same may from time to time be amended, modified or supplemented by any and all Supplemental Resolutions adopted hereafter.

“Series 2003 Bonds” shall mean the Issuer’s Transportation Improvement Revenue Bonds, Series 2003, authorized to be issued pursuant to Section 2.1 hereof.

“Underwriter” shall mean William R. Hough & Co. The Underwriter has orally represented to the Issuer that the Underwriter has a separate agreement with Merchant Capital LLC (“Merchant”) pursuant to which the Underwriter will act as senior managing underwriter and Merchant will act as co-managing underwriter in connection with the underwriting of the Series 2003 Bonds pursuant to the Purchase Contract.

“Vice Chairman” shall mean the Vice Chairman of the Governing Body.

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

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

Section 1.2 Authority for Supplemental Resolution.

This Supplemental Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law and supplements the Original Resolution.

Section 1.3 Supplemental Resolution to Constitute Contract.

In consideration of the purchase and acceptance of any or all of the Series 2003 Bonds by those who shall hold the same from time to time, the provisions of this Supplemental Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Series 2003 Bonds and shall be a part of the contract of the Issuer with any Insurer for the Series 2003 Bonds. The pledge made in this Supplemental Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Series 2003 Bonds and for the benefit, protection and security of any Insurer for the Series 2003 Bonds. All of the Series 2003 Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2003 Bonds over any other thereof except as expressly provided in or pursuant to this Supplemental Resolution.

Section 1.4 Findings.

It is hereby ascertained, determined and declared as follows:

(A) The Issuer deems it necessary, desirable and in the best interests of the Issuer that the 2003 Project be acquired, constructed and installed.

(B) The Issuer deems it necessary, desirable and in the best interests of the Issuer that the issuance of the Series 2003 Bonds be authorized as provided herein for the purpose of financing of the 2003 Project.

(C) The Original Resolution, in Section 5.02 thereof, provides for the issuance of Additional Bonds payable from the Pledged Funds under the terms, limitations and conditions

provided therein. The Issuer will issue the Series 2003 Bonds as Additional Bonds within the authorization contained in Section 5.02 of the Original Resolution.

(D) The Issuer deems it necessary, desirable and in the best interest of the Issuer that the Pledged Funds be pledged to the payment of the principal of and interest on the Series 2003 Bonds. No part of the Pledged Funds has been pledged or encumbered in any manner except pursuant to the Resolution. Pursuant to the Resolution, the Pledged Funds have been pledged also to the payment of the principal of and interest on the Parity Obligations. The Series 2003 Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Funds, and in all other respects, with the Parity Obligations. Each and every provision of the Original Resolution shall be applicable to the Series 2003 Bonds to the same extent as it is applicable to the Parity Obligations.

(E) The estimated Pledged Funds will be sufficient to pay the principal of and interest on the Series 2003 Bonds, as the same become due, and all other payments provided for in the Resolution.

(F) The principal of and interest on the Series 2003 Bonds and all other payments provided for in the Resolution will be paid solely from the sources provided in the Resolution in accordance with the terms thereof; and no ad valorem taxing power of the Issuer will ever be exercised nor will any Holder of any Series 2003 Bond or any Insurer have the right to compel the exercise of such ad valorem taxing power to pay the principal of or interest on the Series 2003 Bonds or to make any other payments provided for in the Resolution, and the Series 2003 Bonds shall not constitute a lien upon any property of the Issuer or any property situated within its corporate territorial limits, except the Pledged Funds.

(G) The Issuer is advised that due to the present volatility of the market for public obligations such as the Series 2003 Bonds, it is in the best interest of the Issuer to sell the Series 2003 Bonds by a negotiated sale, allowing the Issuer to enter into the market at the most advantageous time, rather than any specified advertised future date, thereby permitting the Issuer to obtain the best possible price, interest rates and other terms for the Series 2003 Bonds and, accordingly, the Issuer does hereby find and determine that it is in the best financial interest of the Issuer that a negotiated sale of the Series 2003 Bonds be authorized.

(H) The Underwriter has orally represented to the Issuer that the Underwriter and Merchant Capital LLC, as the Underwriter's co-managing underwriter, will use their best efforts to submit to the Issuer an offer to purchase the Series 2003 Bonds in the form of the Purchase Contract upon terms acceptable to the Issuer as hereinafter authorized, and it is in the best financial interest of the Issuer to accept the offer of the Underwriter to purchase the Series 2003 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 Underwriter, the Series 2003 Bonds shall be sold to the Underwriter pursuant to the terms and provisions of the Purchase Contract.

(I) The Issuer is advised that because the terms of the Series 2003 Bonds cannot be determined on the date of adoption of this Resolution, it is in the best interest of the Issuer to delegate to the Chairman or the County Administrator in the manner hereinafter

provided, the authority to determine the terms of the Series 2003 Bonds not specified herein, including but not limited to their date, amortization schedule, maturity date and interest rates.

(J) It is appropriate that the Issuer approve the Draft Preliminary Official Statement for the purpose of acquainting potential investors with pertinent information with respect to the Issuer and the Series 2003 Bonds and that the Issuer approve and authorize the distribution of a preliminary official statement and a final official statement prior to or contemporaneously with the issuance and delivery of the Series 2003 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 attached hereto as Exhibit C and incorporated herein by reference, the final form thereof to be approved by the Chairman at any time at or prior to the issuance of the Series 2003 Bonds.

(K) It is necessary and appropriate that the Issuer appoint a Registrar and Paying Agent for the Series 2003 Bonds. In order to provide for the services of a Registrar and Paying Agent for the Series 2003 Bonds, it is necessary and appropriate that the Issuer authorize the execution and delivery of the Registrar and Paying Agency Agreement between the Issuer and the Registrar and Paying Agent in the manner hereinafter provided.

(L) In order to provide for compliance with the requirements of Securities and Exchange Commission Rule 15c2-12, it is necessary and appropriate that the Issuer authorize the execution and delivery of the Continuing Disclosure Certificate in the manner hereinafter provided.

(M) The Issuer has received from the Insurer its commitment to provide the Financial Guaranty Insurance Policy with respect to the Series 2003 Bonds. On behalf of the Issuer, Ben W. Adams, Jr., its County Administrator, accepted the Insurer's commitment; and it is in the best financial interest of the Issuer that the Issuer ratify such acceptance of said commitment.

Section 1.5 Authorization of 2003 Project.

The acquisition, construction and installation of the 2003 Project in the manner provided herein is hereby authorized. The 2003 Project shall for all purposes constitute an Additional Project under the provisions of the Original Resolution.

Section 1.6 Ratification of Acceptance of Insurance Commitment.

The Issuer hereby ratifies the acceptance of the Insurer's commitment to provide the Financial Guaranty Insurance Policy with respect to the Series 2003 Bonds, copies of which commitment are attached hereto as Exhibit A.

ARTICLE 2

AUTHORIZATION AND TERMS OF SERIES 2003 BONDS

Section 2.1 Authorization of Series 2003 Bonds.

A Series of Bonds entitled to the benefit, protection and security of the Resolution is hereby authorized to be issued in an aggregate principal amount not to exceed \$30,000,000 for the purpose of providing the Issuer with sufficient funds for the 2003 Project and paying certain costs of issuance incurred with respect to such Series. Such Series shall be designated as, and shall be distinguished from the Bonds of all other Series by the title "St. Johns County, Florida, Transportation Improvement Revenue Bonds, Series 2003," provided that the Issuer may change such designation in the event the Series 2003 Bonds are not issued in calendar year 2003.

Section 2.2 Description of Series 2003 Bonds.

The Series 2003 Bonds shall be dated as of the first day of the month in which occurs the delivery of the Series 2003 Bonds to the purchaser or purchasers thereof or as otherwise provided in the Purchase Contract; shall be issued as fully registered Bonds; and shall be numbered consecutively from one upward in order of maturity preceded by the letter "R;" shall be in denominations of \$5,000 and integral multiples thereof; shall bear interest at a rate or rates not exceeding the maximum rate per annum permitted by law (calculated on the basis of a 360-day year of twelve 30-day months); shall be payable in such manner and on such dates; shall consist of such amounts of Serial Bonds, Term Bonds and Capital Appreciation Bonds, maturing in such amounts and in such years; shall be subject to redemption prior to their stated maturities; and shall have such other terms as provided in the form of Series 2003 Bonds set forth in Section 2.6 hereof and as set forth in the Purchase Contract.

Section 2.3 Payment of Series 2003 Bonds.

The principal of the Series 2003 Bonds is payable upon presentation and surrender of the Series 2003 Bonds at the office of the Paying Agent. Interest payable on any Series 2003 Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Series 2003 Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any Series 2003 Bond is not punctually paid or duly provided for by the Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Series 2003 Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten (10) days preceding such special record date. All payments of principal of and interest on the Series 2003 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

From and after any maturity date (deposit of moneys for the payment of the principal and interest on such Series 2003 Bonds having been made by the Issuer),

notwithstanding that any of such Series 2003 Bonds shall not have been surrendered for payment and cancellation, no further interest shall accrue upon the principal of such Series 2003 Bonds after such date, no interest shall accrue upon the interest which shall have accrued and shall then be due on such date, and such Series 2003 Bonds shall cease to be entitled to any lien, benefit or security under this Resolution.

Any moneys deposited with the Paying Agent for the payment of the principal of or interest on any Series 2003 Bond and remaining unclaimed for three years after the date on which such payment have become due shall be treated as abandoned property pursuant to applicable provisions of State law and the Paying Agent shall report and remit this property to the State escheat fund, and thereafter the Holder shall look only to the State escheat fund for payment and then only to the extent of the amounts so received, without any interest thereon and the Paying Agent and Issuer shall have no responsibility with respect to such moneys.

Section 2.4 Book-Entry Only.

A Depository may act as securities depository for the Series 2003 Bonds. The ownership of one fully-registered, certificated Series 2003 Bond for each maturity, each in the aggregate principal amount of such maturity, may be registered in the name of a Depository or its nominee.

The Series 2003 Bonds in a Book-Entry System registered in the name of a Depository or its nominee shall be payable in lawful money of the United States of America in immediately available funds (i) in the case of principal of such Series 2003 Bonds, delivered or transmitted to the Depository or its authorized representative when due, and (ii) in the case of interest on the Series 2003 Bonds, delivered or transmitted on any date interest is due to the Depository or nominee that was the Holder of that Series 2003 Bond (or one or more predecessor Series 2003 Bonds) at the close of business on the record date applicable to that interest payment date.

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

In the event that (i) the Depository determines to discontinue providing its service with respect to the Series 2003 Bonds by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law, and the Issuer fails to appoint a successor Depository for the Series 2003 Bonds, or (ii) the Issuer determines to discontinue the Book-Entry System through a Depository, then bond certificates are required to be delivered as described in the Series 2003 Bonds. The purchasers of beneficial ownership interests in the Series 2003 Bonds (the "Beneficial Owners"), upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Series 2003 Bonds.

Neither the Issuer, the Registrar nor the Paying Agent will have any responsibility or obligation to any Beneficial Owner or any other person with respect to (i) the accuracy of any

records maintained by the Depository or any persons participating by or through the Depository; (ii) the payment by the Depository or any persons participating by or through the Depository of any amount with respect to the principal or interest on the Bonds; (iii) any notice which is permitted or required to be given to Holders pursuant to this Supplemental Resolution; or (iv) any consent given or other action taken by the Depository as Holder.

Section 2.5 Application of Series 2003 Bond Proceeds.

The proceeds derived from the sale of the Series 2003 Bonds, including accrued interest, if any, shall, simultaneously with the delivery of the Series 2003 Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

(A) Accrued interest, if any, shall be deposited in the Interest Account.

(B) An amount shall be deposited in the Reserve Account which, together with any moneys or securities therein and any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit obtained in accordance with Section 4.05(A)(4) of the Original Resolution, shall equal the Reserve Account Requirement.

(C) The Issuer covenants and agrees to establish a separate account with an Authorized Depository to be known as the "St. Johns County, Florida, Transportation Improvement Revenue Bonds, Series 2003, 2003 Project Account" (the "2003 Project Account"), which shall be used only for the payment of the Costs of the 2003 Project as provided in the Resolution. A sum sufficient to pay the estimated Costs of the 2003 Project to be financed by the issuance of the Series 2003 Bonds shall be deposited to the credit of the 2003 Project Account.

(D) The Issuer covenants and agrees to establish a separate account with an Authorized Depository to be known as the "St. Johns County, Florida, Transportation Improvement Revenue Bonds, Series 2003, Costs of Issuance Account" (the "Costs of Issuance Account"), which shall be used only for the payment of costs and expenses described in this subsection. A sum sufficient to pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2003 Bonds, including fees of financial advisors, consulting fees, legal fees, bond insurance premiums, printing fees, rating agency fees and other similar costs shall be deposited to the credit of the Costs of Issuance Account, and all such costs and expenses shall be promptly paid by the Issuer to the persons respectively entitled to receive the same. When all moneys on deposit to the credit of the Costs of Issuance Account shall have been disbursed by the Issuer for the payment of such costs and expenses, the Costs of Issuance Account shall be closed; provided, however, that if any balance shall remain in the Costs of Issuance Account six months after issuance of the Series 2003 Bonds, such moneys shall be transferred by the Issuer to the Interest Account and the Costs of Issuance Account shall be closed.

Section 2.6 Form of Series 2003 Bonds.

Except for Capital Appreciation Bonds, the form of which shall be provided by Supplemental Resolution, the Bonds shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the

Chairman or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be evidenced conclusively by the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

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No. R-____

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF ST. JOHNS
TRANSPORTATION IMPROVEMENT REVENUE BOND, SERIES 2003

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	_____, ____	_____, 2003	_____

REGISTERED HOLDER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS, that St. Johns County, a political subdivision of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the sources of payment hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, the Principal Amount identified above on the Maturity Date identified above and interest (calculated on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above on April 1 and October 1 of each year, commencing October 1, ____, until such Principal Amount shall have been paid or provided for.

Such Principal Amount and interest on this bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount on this bond, is payable, upon presentation and surrender hereof, at the principal office of Bank One Trust Company, National Association, as paying agent, or such other paying agent as the Issuer shall hereafter duly appoint (the "Paying Agent"). Payment of each installment of interest shall be made to the person in whose name this bond shall be registered on the registration books of the Issuer maintained by Bank One Trust Company, National Association, as registrar, or such other registrar as the Issuer shall hereafter duly appoint (the "Registrar"), at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of the Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the option of the Paying Agent, and at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder. In the event interest payable on this bond is not punctually paid or duly provided for by the Issuer on such interest payment date, payment of each installment of such defaulted interest shall be made to the person in whose name this bond shall be registered at the close of business on a special record date for the payment of such

defaulted interest as established by notice to such Registered Holder, not less than ten (10) days preceding such special record date.

This bond is one of an authorized issue of bonds of the Issuer in the aggregate principal amount of \$_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued for the purpose of (i) financing all or a portion of the cost of the acquisition, construction and installation of certain capital transportation improvements within St. Johns County, Florida, (ii) funding a debt service reserve account for the Bonds, and (iii) paying the cost of issuing the Bonds. The Bonds are issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. 92-103 duly adopted by the Board of County Commissioners of the Issuer on June 23, 1992, as supplemented, particularly as supplemented by Resolution No. 2003-__ duly adopted by the Board of County Commissioners of the Issuer on November 4, 2003 (collectively, the "Resolution"), and is subject to all the terms and conditions of the Resolution.

The principal of and interest on this bond are payable solely from and secured by a prior lien upon and a pledge of the Issuer's portion of the six-cent local option fuel tax distributed to the Issuer and the municipalities of St. Johns County by the Florida Department of Revenue from the State of Florida Local Option Fuel 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 Bonds and all moneys, including investments thereof, and certain of the funds and accounts established pursuant to the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"). It is expressly agreed by the Registered Holder of this bond that the full faith and credit of the Issuer is not pledged to the payment of the principal of or interest on this bond and that the Registered Holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer to the payment of such principal and interest. This bond and the obligation evidenced hereby shall not constitute a lien upon any other property of the Issuer, except the Pledged Funds, and shall be payable solely from the Pledged Funds in accordance with the terms of the Resolution.

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

The Bonds are payable on a parity, equally and ratably, from the Pledged Funds with the Issuer's outstanding Transportation Improvement Revenue Refunding Bonds, Series 2002.

[Insert applicable redemption provisions.]

This bond is and has all the qualities of a negotiable instrument under the laws of the State of Florida, but may be transferred only in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon

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

The Bonds when issued will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the initial securities depository for the Bonds. Individual purchases of the Bonds may be made in book entry form only, and such purchasers will not receive certificates representing their interests in the Bonds. While the Bonds are registered in the name of a securities depository (a "Depository") or its nominee the Issuer will recognize the Depository or its nominee as the Holder of the Bonds for all purposes, including notices. Conveyance of notices and other communications by the Depository to participants, by participants to indirect participants, and by participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

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

If any Depository determines not to continue to act as a Depository for the Bonds for use in a book entry system, the Issuer may attempt to have established a securities depository/book entry system relationship with another qualified Depository under the Resolution. If the Issuer does not or is unable to do so, the Issuer and the Registrar, after the Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Bonds from the Depository, and authenticate and deliver Bond

certificates in fully registered form (in denominations of \$5,000 or multiples thereof) to the assigns of the Depository or its nominee.

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

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

IN WITNESS WHEREOF, St. Johns County, Florida, has issued this bond and has caused the same to be executed by the manual or facsimile signature of its Chairman and attested and countersigned by the manual or facsimile signature of its Clerk and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the ____ day of _____, 2003.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By: _____
Chairman, Board of County
Commissioners

ATTESTED AND COUNTERSIGNED

Clerk, Board of County Commissioners

CERTIFICATE OF AUTHENTICATION

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

DATE OF AUTHENTICATION:

BANK ONE TRUST COMPANY,
NATIONAL ASSOCIATION

Registrar

By: _____
Authorized Signatory

ASSIGNMENT

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

Insert Social Security or Other
Identifying Number of Assignee

(Name and Address of Assignee)

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

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by
an institution which is a participant in the
Securities Transfer Agent Medallion Program
(STAMP) or similar program.

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

ARTICLE 3

COVENANTS AND SECURITY FOR SERIES 2003 BONDS

Section 3.1 Series 2003 Bonds not to be Indebtedness of Issuer.

The Series 2003 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds in accordance with the terms of this Supplemental Resolution and the Original Resolution. No Holder of any Series 2003 Bond or any Insurer shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer to pay such Series 2003 Bond or shall be entitled to payment of such Series 2003 Bond from any moneys of the Issuer except the Pledged Funds, in the manner provided herein and in the Original Resolution.

"Pledged Funds" is defined in the Original Resolution to mean the Gas Tax Revenues and, until applied in accordance with the provisions of the Resolution, the proceeds of the Bonds and all moneys, including investments thereof, in the Restricted Revenue Account and the Debt Service Fund.

"Gas Tax Revenues" is defined in the Original Resolution to mean 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 and the State Local Option Gas Tax Trust Fund pursuant to and in the manner authorized by Section 336.025, Florida Statutes, as amended. Due to a change in the statutory wording, the "six-cent local option gas tax" referred to in the definition of Gas Tax Revenues is now referred to in Section 336.025, Florida Statutes, as amended, as the "six-cent local option fuel tax". Section 336.025, Florida Statutes, previously provided for the levy of the "six-cent local option gas tax" on the sale of "motor fuel and special fuel." Section 336.025, Florida Statutes, as amended, now provides for the levy of the "local option fuel tax" on the sale of "motor fuel and diesel fuel."

The Issuer reserves the right, with the prior written consent of the Insurer of each Series of Outstanding Bonds, to amend the Resolution pursuant to a Supplemental Resolution adopted in accordance with the requirements of the Resolution, to provide for the pledge of additional legally available non-ad valorem revenues as additional pledged revenues under the Resolution.

Section 3.2 Security for Series 2003 Bonds.

The payment of the principal of and interest on the Series 2003 Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds. The Pledged Funds shall be subject to the lien of this pledge immediately upon the issuance and delivery of the Series 2003 Bonds, without any physical delivery by the Issuer of the Pledged Funds or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind against the Issuer, in tort, contract or otherwise. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on

the Series 2003 Bonds in the manner provided by this Supplemental Resolution and the Original Resolution. The Series 2003 Bonds are payable from the Pledged Funds on a parity, equally and ratably, with the Parity Obligations.

Section 3.3 Application of Provisions of Original Resolution.

This Supplemental Resolution is supplemental to the Original Resolution. The terms and provisions of the Original Resolution, as supplemented hereby, shall remain in full force and effect and be applicable with respect to the Series 2003 Bonds. The Series 2003 Bonds shall for all purposes be considered to be Additional Bonds issued under the authority of Section 5.02 of the Original Resolution and shall be entitled to all the protection, security, rights and privileges provided in and by the Original Resolution for Outstanding Bonds.

Section 3.4 Financial Guaranty Insurance.

Notwithstanding any provision to the contrary contained herein, the following provisions shall apply so long as the Financial Guaranty Insurance Policy with respect to the Series 2003 Bonds issued by the Insurer shall be in full force and effect:

(A) Any provision of this Resolution expressly recognizing or granting rights in or to the Insurer may not be amended in any manner which affects the rights of the Insurer hereunder without the prior written consent of the Insurer.

(B) Unless otherwise provided in this Section, the Insurer's consent shall be required in addition to Holder consent, when required, for the following purposes: (i) execution and delivery of any supplemental resolution or any amendment, supplement or change to or modification of the Resolution (ii) removal of the Registrar or Paying Agent and selection and appointment of any successor registrar or paying agent required in those transactions in which the Resolution provides for a registrar or paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Holder consent.

(C) Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Insurer. In the event of any reorganization or liquidation, the Insurer shall have the right to vote on behalf of all Holders who hold the Insurer-insured Series 2003 Bonds absent a default by the Insurer under the applicable Financial Guaranty Insurance Policy insuring such Series 2003 Bonds.

(D) Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders for the benefit of the Holders under the Resolution.

(E) The Issuer shall furnish to the Insurer (to the attention of the Surveillance Department of the Insurer, unless otherwise indicated):

(1) as soon as practicable after the filing thereof, a copy of any financial statement of the Issuer and a copy of any audit and annual report of the Issuer;

(2) such additional information it may reasonably request;

(3) a copy of any notice to be given to the registered owners of the Series 2003 Bonds, including, without limitation, notice of any redemption of or defeasance of Series 2003 Bonds, and any certificate rendered pursuant to this Resolution relating to the security for the Series 2003 Bonds; and

(4) all notices to be provided pursuant to the Continuing Disclosure Certificate relating to the Series 2003 Bonds.

(F) The Issuer shall furnish to the Insurer (to the attention of the General Counsel Office of the Insurer, unless otherwise indicated):

(1) notice of any failure by the Issuer to provide any notices certificates or filings required to be provided pursuant to this Resolution; and

(2) notwithstanding any other provision of this Resolution, the Issuer shall immediately notify the Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

(G) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Series 2003 Bonds with appropriate officers of the Issuer. The Issuer will permit the Insurer to have access to and to make copies of all books and records relating to the Series 2003 Bonds at any reasonable time.

(H) The Insurer shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2003 Bonds.

(I) Moneys in the funds and accounts established by the Resolution may be invested in the investments described below, to the extent the same shall be permitted from time to time by applicable laws of the State;

(1) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America including: U.S. treasury obligations; all direct or fully guaranteed obligations; Farmers Home Administration; General Services Administration; Guaranteed Title XI financing; Government National Mortgage Association (GNMA); and State and Local Government Series.

(2) Obligations of Government – Sponsored Agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Mortgage Corp. (FHLMC) Debt obligations; Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives); Federal Home Loan Banks (FHL Banks); Federal National Mortgage Association (FNMA) Debt obligations; Financing Corp. (FICO) Debt obligations; Resolution Funding Corp. (REFCORP) Debt obligations; and U.S. Agency for International Development (U.S. A.I.D.) Guaranteed notes (U.S.A.I.D. securities must mature at least four business days before the appropriate payment date).

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including: Export-Import Bank; Rural Economic Community Development Administration; U.S. Maritime Administration; Small Business Administration; U.S. Department of Housing & Urban Development (PHAs); Federal Housing Administration; and Federal Financing Bank.

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC); Obligations of the Resolution Funding Corporation (REFCORP); Senior debt obligations of the Federal Home Loan Bank System; and Senior debt obligations of other Government Sponsored Agencies approved by the Insurer.

(5) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (Ratings on holding companies are not considered as the rating of the bank);

(6) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(7) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(8) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(a) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(9) Municipal obligations rated "Aaa/AAA" or general obligations of states with a rating of "A2/A" or higher by both Moody's and S&P;

(10) Investment agreements approved in writing by the Insurer (supported by appropriate opinions of counsel);

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

(12) Other forms of investments (including repurchase agreements) approved in writing by the Insurer.

The value of the above investments shall be determined as follows:

(1) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Issuer shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Bear Stearns, or Lehman Brothers;

(2) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon; and

(3) As to any investment not specified above: the value thereof established by prior agreement between the Issuer and the Insurer.

(J) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Series 2003 Bonds shall be paid by the Insurer pursuant to the Financial Guaranty Insurance Policy, the Series 2003 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Pledged Funds and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners.

(K) As long as the Financial Guaranty Insurance Policy shall be in full force and effect, the Issuer and the Registrar and Paying Agent agree to comply with the following provisions:

(1) At least one (1) day prior to all Interest Dates the Paying Agent will determine whether there will be sufficient funds in the funds and accounts to pay the principal of or interest on the Series 2003 Bonds on such Interest Date. If the Paying Agent determines that there will be insufficient funds in such funds or accounts, the Paying Agent shall so notify the Insurer. Such notice shall specify the amount of the anticipated deficiency, the Series 2003 Bonds to which such deficiency is applicable and whether such Series 2003 Bonds will be deficient as to principal or interest, or both. If the Paying Agent has not so notified the Insurer at least one (1) day prior to an Interest Date, the Insurer will make payments of principal or interest due on the Series 2003 Bonds on or before the first (1st) day next following the date on which the Insurer shall have received notice of nonpayment from the Paying Agent.

(2) The Issuer, the Registrar and Paying Agent shall, after giving notice to the Insurer as provided in (1) above, make available to the Insurer and, at the Insurer's direction, to The Bank of New York, in New York, New York, as insurance trustee for the Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Issuer maintained by the Registrar, if any, and all records relating to the Funds and Accounts maintained under this Resolution.

(3) The Issuer, the Registrar and the Paying Agent shall provide the Insurer and the Insurance Trustee with a list of registered owners of Series 2003 Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2003 Bonds entitled to receive full or partial interest payments from the Insurer and (ii) to pay principal upon Series 2003 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2003 Bonds entitled to receive full or partial principal payments from the Insurer.

(4) The Issuer, the Registrar and the Paying Agent shall, at the time it provides notice to the Insurer pursuant to (a) above, notify registered owners of Series 2003 Bonds entitled to receive the payment of principal or interest thereon from the Insurer (i) as to the fact of such entitlement, (ii) that the Insurer will

remit to them all or a part of the interest payments next coming due upon proof of Holder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Insurer, they must surrender their Series 2003 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 2003 Bonds to be registered in the name of the Insurer) for payment to the Insurance Trustee, and not the Registrar and Paying Agent, and (iv) that should they be entitled to receive partial payment of principal from the Insurer, they must surrender their Series 2003 Bonds for payment thereon first to the Paying Agent who shall note on such Series 2003 Bonds the portion of the principal paid by the Paying Agent and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(5) In the event that the Registrar and Paying Agent has notice that any payment of principal of or interest on an Series 2003 Bonds which has become Due for Payment (as defined in the Financial Guaranty Insurance Policy) and which is made to a Holder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Registrar and Paying Agent shall, at the time the Insurer is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Registrar and Paying Agent shall furnish to the Insurer its records evidencing the payments of principal of and interest on the Series 2003 Bonds which have been made by the Registrar and Paying Agent and subsequently recovered from registered owners and the dates on which such payments were made.

(6) In addition to those rights granted the Insurer under this Resolution, the Insurer shall, to the extent it makes payment of principal of or interest on Series 2003 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Registrar and Paying Agent shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar and Paying Agent upon receipt from the Insurer of proof of the payment of interest thereon to the registered owners of the Series 2003 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Registrar and Paying Agent shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar and Paying Agent upon surrender of the Series 2003 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

(L) Notwithstanding any other provision of this Resolution, in determining whether the rights of the Holders will be adversely affected by any action taken pursuant to the terms and provisions of this Resolution, the Registrar and Paying Agent shall consider the effect on the Holders as if there were no Financial Guaranty Insurance Policy.

(M) The Paying Agent may be removed at any time, at the request of the Insurer, for any breach of its duties set forth herein. The Insurer shall receive prior written notice of any Paying Agent resignation; provided, however, notwithstanding any other provision of this Resolution, no removal, resignation or termination of the Paying Agent shall take effect until a successor, approved by the Insurer in writing, shall be appointed.

(N) To the extent that this Resolution confers upon or gives or grants to the Insurer any right, remedy or claim under or by reason of this Resolution, the Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

(O) The right to consent to amendments to the Resolution affecting any Series 2003 Bonds shall be vested in the Insurer rather than the Holders of the Series 2003 Bonds, so long as the Insurer shall not be in default in the due and punctual performance of its payment obligations under the Financial Guaranty Insurance Policy.

(P) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Issuer, the Insurer, the Registrar, the Paying Agent and the registered owners of the Series 2003 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Insurer, the Registrar, the Paying Agent and the registered owners of the Series 2003 Bonds.

ARTICLE 4

SALE OF 2003 BONDS; APPROVAL OF DOCUMENTS

Section 4.1 Sale of the Series 2003 Bonds; Authorization of Execution of Purchase Contract.

A negotiated sale of the Series 2003 Bonds is hereby authorized. The Chairman or the County Administrator is hereby authorized and directed to award the sale of the Series 2003 Bonds to the Underwriter in an aggregate principal amount not to exceed \$30,000,000, at an aggregate purchase price of not less than 98% of the original principal amount of such Series 2003 Bonds, as approved by the Chairman or the County Administrator (the "Minimum Purchase Price"), and with final terms, as approved by the Chairman or the County Administrator provided that the following parameters (the "Parameters") are met: the true interest cost of the Series 2003 Bonds shall not exceed 6.0%; the final maturity of the Series 2003 Bonds shall not be later than October 1, 2032; the Series 2003 Bonds shall be subject to optional redemption prior to their stated maturities not later than ten and one half years after the date of issuance at a redemption price of 102% or less; the costs of issuance shall be comparable to or less than the

current average issuance costs for bonds of similar tenor and amount; and the Insurer's commitment to provide the Bond Insurance Policy and the Reserve Account Insurance Policy with respect to the Series 2003 Bonds shall be in effect.

The proposed form of the Purchase Contract presented by the Underwriter is hereby approved, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the County Administrator prior to the execution and delivery thereof, such necessity and/or desirability and approval to be presumed by the execution thereof by the Chairman or the County Administrator; the Chairman or the County Administrator is hereby authorized to accept the offer of the Underwriter to purchase the Series 2003 Bonds in an aggregate principal amount not to exceed \$30,000,000, at a purchase price of not less than the Minimum Purchase Price plus accrued interest thereon to the date of delivery, upon the terms and conditions set forth in the Purchase Contract; and the Chairman or the County Administrator is hereby authorized to execute and approve the Purchase Contract for and on behalf of the Issuer pursuant to the terms hereof provided that the Chairman or the County Administrator shall first receive 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 and conditions of the sale of the Series 2003 Bonds meet and are within the Parameters.

The Series 2003 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 and have such other terms as are set forth in the Purchase Contract and approved by the Chairman or the County Administrator, and the authority to approve such matters is hereby expressly delegated to the Chairman or the County Administrator, with such approval to be conclusively evidenced by the Chairman's or the County Administrator's execution of any documents including such terms.

Prior to the execution and delivery of the Purchase Contract, the Underwriter shall file with the Issuer the disclosure statement required by the Purchase Contract and by Section 218.385(6), Florida Statutes, as amended. The Chairman, the County Administrator and the other officers, agents and employees of the Issuer are hereby authorized and directed to conclude the issuance and delivery of the Series 2003 Bonds in accordance with the provisions of the Original Resolution, this Resolution and the Purchase Contract.

The authority for the issuance of such aggregate principal amount of the Series 2003 Bonds herein authorized which shall not be delivered to the Underwriter 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 Underwriter on or before December 31, 2003, the Chairman's and the County Administrator's authority to award the sale of the Series 2003 Bonds to the Underwriter 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, 2003.

Section 4.2 Approval of Draft Preliminary Official Statement and Preliminary Official Statement and Authorization of Official Statement.

The form of the Draft Preliminary Official Statement is hereby approved, and a preliminary official statement and a final official statement substantially in the form of the Draft Preliminary Official Statement that is attached hereto as Exhibit C and incorporated herein by reference, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the County Administrator prior to the release thereof, are hereby approved, and each is authorized to be delivered by the Issuer to the Underwriter at or prior to the execution and delivery of the Purchase Contract; and the Chairman or the County Administrator 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 and 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 Underwriter. A final official statement in substantially the form of the "deemed final" preliminary official statement, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the County Administrator prior to the release thereof, is hereby authorized to be delivered by the Issuer to the Underwriter for distribution at or prior to the issuance and delivery of the Series 2003 Bonds. The Chairman or the County Administrator is hereby authorized to evidence the Issuer's approval of the final official statement by his or her endorsement thereof upon one or more copies, and approval of all such omissions, insertions and variations may be 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 2003 Bonds and the other information required by Section 218.38, Florida Statutes, as amended, within the appropriate time periods specified by such section.

Section 4.3 Registrar and Paying Agent; Authorization of Execution and Delivery of Registrar and Paying Agency Agreement.

Bank One Trust Company, National Association is hereby appointed Registrar and Paying Agent for the Series 2003 Bonds. The Registrar and Paying Agency Agreement, with such omissions, insertions and variations as may be approved on behalf of the Issuer by the Chairman, such approval to be evidenced conclusively by the Chairman's execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman to execute the Registrar and Paying Agency Agreement and to deliver the same to the Registrar and Paying Agent for the Series 2003 Bonds. All of the provisions of the Registrar and Paying Agency Agreement, when executed, dated and delivered by or on behalf of the Issuer as authorized herein and by or on behalf of the Registrar and Paying Agent for the Series 2003 Bonds, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

Section 4.4 Authorization of Execution and Delivery of Continuing Disclosure Certificate.

The Continuing Disclosure Certificate, with such omissions, insertions and variations as may be approved on behalf of the Issuer by the Chairman, such approval to be

evidenced conclusively by the Chairman's execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman to execute and deliver the Continuing Disclosure Certificate. All of the provisions of the Continuing Disclosure Certificate, when executed, dated and delivered by or on behalf of the Issuer as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

The Issuer agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance of the Series 2003 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Bondholder or Beneficial Owner (as hereinafter defined) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section 4.4. For purposes of this Section 4.4, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2003 Bonds (including persons holding Series 2003 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2003 Bonds for federal income tax purposes.

Section 4.5 Authorization of Execution of Certificates and Other Instruments.

The Chairman is hereby authorized and directed, under the official seal of the Issuer, to execute and deliver certificates of the Issuer certifying such facts as the Issuer's attorney or Bond Counsel shall require in connection with the issuance, sale and delivery of the Series 2003 Bonds, and to execute and deliver such other instruments as shall be necessary or desirable to perform the Issuer's obligations under the Original Resolution, this Supplemental Resolution and the Purchase Contract and to consummate the transactions contemplated hereby and thereby. The Chairman is authorized to execute such other agreements as may be required by the Insurer, Moody's Investors Service, Inc., Standard & Poor's Ratings Group or Fitch which are necessary to obtain any financial guaranty insurance policy, any reserve account insurance policy or letter of credit, or rating required by the Purchase Contract.

ARTICLE 5

MISCELLANEOUS

Section 5.1 General Authority.

The members of the Governing Body and the Issuer's officers, attorneys and other agents and employees are hereby authorized to do all acts and things required of them by this Supplemental Resolution or desirable or consistent with the requirements hereof or thereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2003 Bonds, and this Supplemental Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Series 2003 Bonds to effectuate the sale of the Series 2003 Bonds to said initial purchasers.

Section 5.2 No Personal Liability.

No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Series 2003 Bonds, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Series 2003 Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the Governing Body, officer, attorney, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Series 2003 Bonds, or any certificate or other instrument to be executed in connection with the issuance of the Series 2003 Bonds, shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 5.3 No Third Party Beneficiaries.

Except such other Persons as may be expressly described herein or in the Series 2003 Bonds, nothing in this Supplemental Resolution, or in the Series 2003 Bonds, expressed or implied, is intended or shall be construed to confer upon any Person other than the Issuer and the Holders any right, remedy or claim, legal or equitable, under and by reason of this Supplemental Resolution or any provision hereof, or of the Series 2003 Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holders.

Section 5.4 Severability of Invalid Provisions.

If any one or more of the covenants, agreements or provisions of this Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Supplemental Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Series 2003 Bonds issued hereunder.

Section 5.5 Table of Contents and Headings not Part Hereof.

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

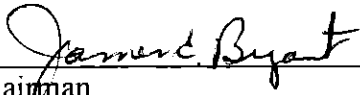
Section 5.6 Effective Date.

This Supplemental Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 4th day of November, 2003.

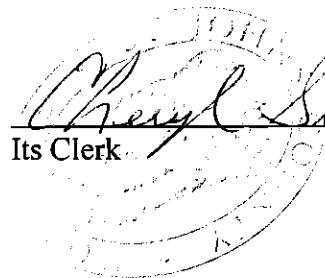
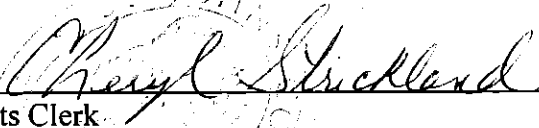
BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA

(OFFICIAL SEAL)



Its Chairman

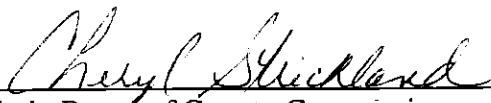
ATTEST:

Its Clerk

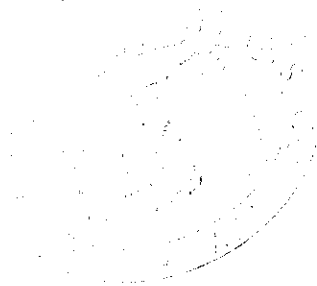
I, Cheryl Strickland, Clerk of the Board of County Commissioners of St. Johns County, Florida, hereby certify that the foregoing is a true and correct copy of Resolution No. 2003-213 of said County passed and adopted on November 4, 2003.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said County this 7th day of November, 2003.



Clerk, Board of County Commissioners

(OFFICIAL SEAL)



LIST OF EXHIBITS ON FILE WITH CLERK

- Exhibit A -- Insurer's Commitment
- Exhibit B -- Purchase Contract
- Exhibit C -- Draft Preliminary Official Statement
- Exhibit D -- Registrar and Paying Agency Agreement
- Exhibit E -- Continuing Disclosure Certificate
- Exhibit F -- Description of the 2003 Project

EXHIBIT A

INSURER'S COMMITMENT

Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
212.668.0340

A member of Ambac Financial Group, Inc.

COMMITMENT FOR FINANCIAL GUARANTY INSURANCE

Obligor: **ST. JOHNS COUNTY, FLORIDA**

Commitment Number: 25785

Commitment Date: October 24, 2003

Expiration Date: January 23, 2004

Obligations: \$30,000,000* Transportation Improvement Revenue Bonds, Series 2003, dated December 1, 2003 maturing on October 1 in the years 2004 through 2023, both inclusive.

Insurance premium: 0.538% of the total principal and interest due on the Obligations (Fitch, Inc., Moody's Investors Service and Standard & Poor's Credit Markets Services assess separate rating fees which are payable directly to them. Each rating agency will bill separately and all questions regarding the payment of such fees must be addressed to the applicable agency.)

Ambac Assurance Corporation ("Ambac"), a Wisconsin Stock Insurance Corporation,

hereby commits to issue a Financial Guaranty Insurance Policy (the "Policy") relating to the above-described debt obligations (the "Obligations"), substantially in the form imprinted in this Commitment, subject to the terms and conditions contained herein or added hereto (see conditions set forth herein).

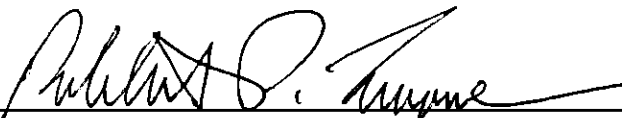
To keep this Commitment in effect after the expiration date set forth above, a request for renewal must be submitted to Ambac prior to such expiration date. Ambac reserves the right to refuse wholly or in part to grant a renewal.

The Financial Guaranty Insurance Policy shall be issued if the following conditions are satisfied:

1. The documents to be executed and delivered in connection with the issuance and sale of the Obligations 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 Obligations, otherwise required, not to be required to purchase the Obligations on the date scheduled for the issuance and delivery thereof.
3. There shall be no material change in or affecting the Obligations (including, without limitation, the security for the Obligations or the proposed debt service structure for the Obligations) or the financing documents or the official statement (or any similar disclosure document) to be executed and delivered in connection with the issuance and sale of the Obligations from the descriptions or schedules thereof heretofore provided to Ambac.
4. The Obligations shall contain no reference to Ambac, the Policy or the financial guaranty insurance evidenced thereby except as may be approved by Ambac.

* Subject to change, with Ambac's approval.

5. Ambac shall be provided with:
- (a) Executed copies of all financing documents, the official statement (or any similar disclosure document) and the various legal opinions delivered in connection with the issuance and sale of the Obligations, including, without limitation, the unqualified approving opinion of bond counsel rendered by a law firm acceptable to Ambac. The form of Bond Counsel's approving opinion shall also indicate, if applicable, that the Obligations are exempt from federal income taxation, that the Obligor must comply with certain covenants under and pursuant to the new tax law and that the Obligor has the legal power to comply with such covenants. Such opinion of bond counsel shall be addressed to Ambac or, in lieu thereof, a letter shall be provided to Ambac to the effect that Ambac may rely on such opinion as if it were addressed to Ambac.
 - (b) Evidence of a wire transfer in an amount equal to the insurance premium at the time of the issuance and delivery of the Obligations.
6. Unless expressly waived in whole or in part by Ambac, the financing documents and the Official Statement shall contain (a) the terms and provisions provided in Ambac's STANDARD PACKAGE transmitted herewith, and (b) any additional oral or written provisions or comments submitted by Ambac.
7. Ambac shall receive a copy of any insurance policy, surety bond, guaranty or indemnification or any other policy, contract or agreement which provides for payment of all or any portion of the debt, the costs of reconstruction, the loss of business income or in any way secures, ensures or enhances the income stream anticipated to pay the Obligations.
8. Any provisions or requirements of the Purchase Contract or Bond Purchase Agreement referencing Ambac must be sent to the attention of Danielle Brackett not less than five (5) business days prior to closing. If such provisions or requirements are not received within that time, compliance may not be possible.



Authorized Officer

Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
212.668.0340

A member of Ambac Financial Group, Inc.

COMMITMENT FOR FINANCIAL GUARANTY INSURANCE

Obligor: **ST. JOHNS COUNTY, FLORIDA**

Commitment Number: 25785

Commitment Date: October 24, 2003

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Obligations: \$30,000,000* Transportation Improvement Revenue Bonds, Series 2003, dated December 1, 2003 maturing on October 1 in the years 2004 through 2023, both inclusive.

Insurance premium: 0.538% of the total principal and interest due on the Obligations (Fitch, Inc., Moody's Investors Service and Standard & Poor's Credit Markets Services assess separate rating fees which are payable directly to them. Each rating agency will bill separately and all questions regarding the payment of such fees must be addressed to the applicable agency.)

Ambac Assurance Corporation ("Ambac"), a Wisconsin Stock Insurance Corporation,

hereby commits to issue a Financial Guaranty Insurance Policy (the "Policy") relating to the above-described debt obligations (the "Obligations"), substantially in the form imprinted in this Commitment, subject to the terms and conditions contained herein or added hereto (see conditions set forth herein).

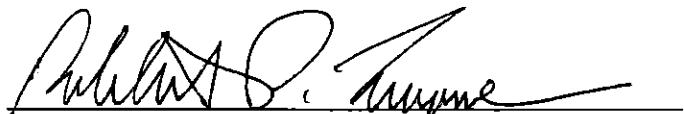
To keep this Commitment in effect after the expiration date set forth above, a request for renewal must be submitted to Ambac prior to such expiration date. Ambac reserves the right to refuse wholly or in part to grant a renewal.

The Financial Guaranty Insurance Policy shall be issued if the following conditions are satisfied:

1. The documents to be executed and delivered in connection with the issuance and sale of the Obligations 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 Obligations, otherwise required, not to be required to purchase the Obligations on the date scheduled for the issuance and delivery thereof.
3. There shall be no material change in or affecting the Obligations (including, without limitation, the security for the Obligations or the proposed debt service structure for the Obligations) or the financing documents or the official statement (or any similar disclosure document) to be executed and delivered in connection with the issuance and sale of the Obligations from the descriptions or schedules thereof heretofore provided to Ambac.
4. The Obligations shall contain no reference to Ambac, the Policy or the financial guaranty insurance evidenced thereby except as may be approved by Ambac.

* Subject to change, with Ambac's approval.

5. Ambac shall be provided with:
- (a) Executed copies of all financing documents, the official statement (or any similar disclosure document) and the various legal opinions delivered in connection with the issuance and sale of the Obligations, including, without limitation, the unqualified approving opinion of bond counsel rendered by a law firm acceptable to Ambac. The form of Bond Counsel's approving opinion shall also indicate, if applicable, that the Obligations are exempt from federal income taxation, that the Obligor must comply with certain covenants under and pursuant to the new tax law and that the Obligor has the legal power to comply with such covenants. Such opinion of bond counsel shall be addressed to Ambac or, in lieu thereof, a letter shall be provided to Ambac to the effect that Ambac may rely on such opinion as if it were addressed to Ambac.
 - (b) Evidence of a wire transfer in an amount equal to the insurance premium at the time of the issuance and delivery of the Obligations.
6. Unless expressly waived in whole or in part by Ambac, the financing documents and the Official Statement shall contain (a) the terms and provisions provided in Ambac's STANDARD PACKAGE transmitted herewith, and (b) any additional oral or written provisions or comments submitted by Ambac.
7. Ambac shall receive a copy of any insurance policy, surety bond, guaranty or indemnification or any other policy, contract or agreement which provides for payment of all or any portion of the debt, the costs of reconstruction, the loss of business income or in any way secures, ensures or enhances the income stream anticipated to pay the Obligations.
8. Any provisions or requirements of the Purchase Contract or Bond Purchase Agreement referencing Ambac must be sent to the attention of Danielle Brackett not less than five (5) business days prior to closing. If such provisions or requirements are not received within that time, compliance may not be possible.


Authorized Officer

Ambac

Financial Guaranty Insurance Policy

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

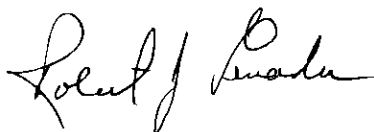
In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

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

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



President



Secretary

Effective Date:

Authorized Representative

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Form No.: 2B-0012 (1/01)



Authorized Officer of Insurance Trustee



Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Endorsement

Policy for:

Attached to and forming part of Policy No.:

Effective Date of Endorsement:

The insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

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

Ambac Assurance Corporation

President



Secretary

Authorized Representative

AMBAC ASSURANCE CORPORATION WIRING INSTRUCTIONS

Citibank N.A.
ABA NO. 021000089
For: Ambac Assurance Corporation
A/C No. **40609486**
Attention: [Closing Coordinator], 212-208-3---

*** Please indicate Policy Number on wire and call your closing coordinator with your wire reference number on the morning of closing***

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August 14, 2003

**AMBAC ASSURANCE STANDARD PACKAGE FOR AMBAC-INSURED TRANSACTIONS
[NOT FOR USE WITH GENERAL OBLIGATION/LIMITED OR
UNLIMITED TAX TRANSACTIONS]**

TO: Obligor, Obligor's Counsel, Managing Underwriter, Obligation Counsel and Underwriter's Counsel

RE: Preparation of Financing Documents for Ambac Assurance Insured Issues

Ambac

The attached materials have been prepared to assist you in the preparation of documents for your Ambac Assurance Corporation ("Ambac Assurance") insured issue. Please modify the attached exhibits where appropriate and notify us as to any proposed modifications. If desired, these provisions can be incorporated into one section entitled "Financial Guaranty Insurance" within the applicable Indenture, Resolution, Ordinance, Order or any other operative financing document (such applicable financing document will be referred to herein as the "Financing Document"). Please be advised that the provisions contained in this package are in addition to the conditions listed in the Commitment for Financial Guaranty Insurance and any other comments or changes that may be required by the Ambac Assurance personnel working on this financing. If you have any questions, please call one of the following persons: David N. Abramowitz, Jeffrey R. Fried, Eileen L. Kirchoff or Stephen M. Ksenak (Public Finance) and Kevin J. Doyle, Lee Ann Duffy, Jean Kim, Juan B. Roman or Nicola J. Ryan (Specialized Finance).

- Definitions (Exhibit A).
- Ambac Assurance consent required for changes to underlying documentation and exercise of remedies upon default (Exhibit B).
- Notices/information to be given to Ambac Assurance (Exhibit C).
- Permitted Investments and Valuation Provisions (Exhibit D).
- Defeasance Language (Exhibit E).
- Description of Ambac Assurance Payment Procedure (Exhibit F).
- Trustee-related provisions (Exhibit G).
- Ambac Assurance as a third-party beneficiary (Exhibit H).
- Suggested language for (i) Ambac Assurance Official Statement Disclosure, (ii) Notice of Sale, (iii) Bond Legend, and (iv) Cover page of Official Statement (Exhibit I).
- Form of Ambac Assurance Legal Opinion (Exhibit J).
- Form of Ambac Assurance Certificate of Insurer (Exhibit K).
- Ambac Assurance Wiring Instructions (Exhibit L).
- Representations, Warranties and Covenants for Revised Article 9 Collateral (Exhibit M)

EXHIBIT A

DEFINITIONS

The following definitions are those which Ambac Assurance recommends for the Financing Document:

“Ambac Assurance” shall mean Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

“Financial Guaranty Insurance Policy” shall mean the financial guaranty insurance policy issued by Ambac Assurance insuring the payment when due of the principal of and interest on the Obligations as provided therein.

EXHIBIT B

AMBAC ASSURANCE CONSENT LANGUAGE

Ambac Assurance requires that the Financing Document include the following consent provisions:

A. Consent of Ambac Assurance.

Any provision of this [Financing Document] expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance. Ambac Assurance reserves the right to charge the Obligor* a fee for any consent or amendment to the Financing Document while the Financial Guaranty Insurance Policy is outstanding.

B. Consent of Ambac Assurance in Addition to Holder Consent.

Unless otherwise provided in this Section, Ambac Assurance’s consent shall be required in addition to Holder consent, when required, for the following purposes: (i) execution and delivery of any supplemental [Financing Document] or any amendment, supplement or change to or modification of the [Loan Agreement, Lease Agreement, etc.] (ii) removal of the Trustee or Paying Agent and selection and appointment of any successor trustee or paying agent [required in those transactions in which the Financing Document provides for a trustee or paying agent]; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Holder consent.

C. Consent of Ambac Assurance in the Event of Insolvency

Any reorganization or liquidation plan with respect to the [Obligor or obligor] must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all Holders who hold Ambac Assurance-insured Obligations absent a default by Ambac Assurance under the applicable Financial Guaranty Insurance Policy insuring such Obligations.

[In transactions for which acceleration is not a remedy for an event of default, the following provision is to be included in the Financing Document.]

D. Consent of Ambac Assurance Upon Default.

Anything in this [Financing Document] to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Trustee for the benefit of the Holders under this [Financing Document].

* or appropriate obligor on the Obligations.

[In transactions for which acceleration is a remedy for an event of default, the following two provisions must be included in the Financing Document in lieu of paragraph D above.]

D. Consent of Ambac Assurance Upon Default.

Anything in this [Financing Document] to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Trustee for the benefit of the Holders under this [Financing Document], including, without limitation: (i) the right to accelerate the principal of the Obligations as described in this [Financing Document], and (ii) the right to annul any declaration of acceleration, and Ambac Assurance shall also be entitled to approve all waivers of events of default.

E. Acceleration Rights

Upon the occurrence of an event of default, the Trustee may, with the consent of Ambac Assurance, and shall, at the direction of Ambac Assurance or ___% of the Holders with the consent of Ambac Assurance, by written notice to the Obligor and Ambac Assurance, declare the principal of the Obligations to be immediately due and payable, whereupon that portion of the principal of the Obligations thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this [Financing Document] or in the Obligations to the contrary notwithstanding.

EXHIBIT C

NOTICES/INFORMATION TO BE GIVEN TO AMBAC ASSURANCE

Ambac Assurance requires that the following notice provisions be incorporated in the Financing Document:

Notices to be sent to the attention of the SURVEILLANCE DEPARTMENT:

- A. While the Financial Guaranty Insurance Policy is in effect, the Obligor* or the Trustee [as appropriate] shall furnish to Ambac Assurance, upon request, the following :
- (a) a copy of any financial statement, audit and/or annual report of the Obligor*
 - (b) such additional information it may reasonably request.

Upon request, such information shall be delivered at the Obligor's* expense to the attention of the Surveillance Department, unless otherwise indicated.

- B. a copy of any notice to be given to the registered owners of the Obligations, including, without limitation, notice of any redemption of or defeasance of Obligations, and any certificate rendered pursuant to this [Financing Document] relating to the security for the Obligations.
- C. To the extent that the Obligor has entered into a continuing disclosure agreement with respect to the Obligations, Ambac Assurance shall be included as party to be notified.

Notices to be sent to the attention of the GENERAL COUNSEL OFFICE:

- A. The Trustee or Obligor* [as appropriate] shall notify Ambac Assurance of any failure of the Obligor* to provide relevant notices, certificates, etc.
- B. Notwithstanding any other provision of this [Financing Document], the Trustee or Obligor* [as appropriate] shall immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

Other Information to be given to Ambac Assurance:

The Obligor* will permit Ambac Assurance to discuss the affairs, finances and accounts of the Obligor* or any information Ambac Assurance may reasonably request regarding the security for the Obligations with appropriate officers of the Obligor*. The Trustee or Obligor* [as appropriate] will permit Ambac Assurance to [have access to the Project and] have access to and to make copies of all books and records relating to the Obligations at any reasonable time.

*or appropriate obligor on the Obligations

Ambac Assurance will have the right to direct an accounting at the Obligor's* expense, and the Obligor's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Obligations.

[FOR CALIFORNIA AND INDIANA (ABATEMENT STYLE) LEASES] The Trustee or Obligor [as appropriate] shall annually certify to Ambac that the insurance policies required by Section ___ of the [Lease/Indenture] are in full force and effect, and will provide Ambac with copies of such policies upon request.

EXHIBIT D

AMBAC ASSURANCE CORPORATION

Permitted Investment Guidelines: Permitted Investments

- A. Ambac Assurance will allow the following obligations to be used as Permitted Investments for all purposes, including defeasance investments in refunding escrow accounts.
- (Ambac Assurance does not give a premium credit for the investment of accrued and/or capitalized interest).
- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation),
 - (2) Direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America, or
 - (3) Senior debt obligations of other Government Sponsored Agencies approved by Ambac.
- B. Ambac will allow the following Obligations to be used as Permitted Investments for all purposes other than defeasance investments in refunding escrow accounts.
- (1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - Export-Import Bank
 - Rural Economic Community Development Administration
 - U.S. Maritime Administration
 - Small Business Administration
 - U.S. Department of Housing & Urban Development (PHAs)
 - Federal Housing Administration
 - Federal Financing Bank
 - (2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
 - Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
 - Obligations of the Resolution Funding Corporation (REFCORP)
 - Senior debt obligations of the Federal Home Loan Bank System

- (3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);
- (4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;
- (5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;
- (6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
 - (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or
 - (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; **[Pre-refunded Municipal Obligations meeting the requirements of subsection (B) hereof may be used as Permitted Investments for annual appropriation lease transactions.**
- (7) Municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P.
- (8) Investment agreements approved in writing by Ambac Assurance Corporation (supported by appropriate opinions of counsel); and
- (9) Other forms of investments (including repurchase agreements) approved in writing by Ambac.

C. The value of the above investments shall be determined as follows:

- a) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Bear Stearns, or Lehman Brothers.
- b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon; and
- c) As to any investment not specified above: the value thereof established by prior agreement among the Issuer, the Trustee, and Ambac.

EXHIBIT E

DEFEASANCE LANGUAGE

- A. The definition of "Outstanding" Obligations or obligations, or any like concept, should specifically include Obligations or obligations which fall into the category described below.
- B. The defeasance section of the Financing Document should include the following language:

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Obligations shall be paid by Ambac Assurance Corporation pursuant to the Financial Guaranty Insurance Policy, the Obligations shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Obligor, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Obligor to the registered owners shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

EXHIBIT F

PAYMENT PROCEDURE PURSUANT TO THE FINANCIAL GUARANTY INSURANCE POLICY

The following language sets out the applicable procedure for payments under the Financial Guaranty Insurance Policy and should be incorporated into the Financing Document:

As long as the Obligation insurance shall be in full force and effect, the Obligor, the Trustee and any Paying Agent agree to comply with the following provisions:

(a) At least one (1) day prior to all Interest Payment Dates the Trustee or Paying Agent, if any, will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the Obligations on such Interest Payment Date. If the Trustee or Paying Agent, if any, determines that there will be insufficient funds in such Funds or Accounts, the Trustee or Paying Agent, if any, shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Obligations to which such deficiency is applicable and whether such Obligations will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified Ambac Assurance at least one (1) day prior to an Interest Payment Date, Ambac Assurance will make payments of principal or interest due on the Obligations on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Trustee or Paying Agent, if any.

(b) the Trustee or Paying Agent, if any, shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, and all records relating to the Funds and Accounts maintained under this [Financing Document].

(c) the Trustee or Paying Agent, if any, shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Obligations entitled to receive principal or interest payments from Ambac Assurance under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Obligations entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal upon Obligations surrendered to the Insurance Trustee by the registered owners of Obligations entitled to receive full or partial principal payments from Ambac Assurance.

(d) the Trustee or Paying Agent, if any, shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Obligations entitled to receive the payment of principal or interest thereon from Ambac Assurance (i) as to the nature of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of Holder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Obligations (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Obligations to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Trustee or Paying Agent, if any, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Obligations for payment thereon first to the Trustee or Paying Agent, if any, who shall note on such Obligations the portion of the principal paid by the Trustee or Paying Agent, if any, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) in the event that the Trustee or Paying Agent, if any, has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee or Paying Agent, if any, shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee or Paying Agent, if any, shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Obligations which have been made by the Trustee or Paying Agent, if any, and subsequently recovered from registered owners and the dates on which such payments were made.

(f) in addition to those rights granted Ambac Assurance under this [Financing Document], Ambac Assurance shall, to the extent it makes payment of principal of or interest on Obligations, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee or Paying Agent, if any, shall note Ambac Assurance's rights as subrogee on the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Obligations, and (ii) in the case of subrogation as to claims for past due principal, the Trustee or Paying Agent, if any, shall note Ambac Assurance's rights as subrogee on the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, upon surrender of the Obligations by the registered owners thereof together with proof of the payment of principal thereof.

EXHIBIT G

TRUSTEE-RELATED PROVISIONS

With respect to transactions involving a trustee or paying agent, Ambac requires that the following provisions be incorporated into the Financing Document. Please note that unless otherwise required by Ambac, if the financing at hand does not contemplate a trustee or paying agent, these provisions may be disregarded.

1. The Trustee (or Paying Agent) may be removed at any time, at the request of Ambac Assurance, for any breach of the Trust set forth herein.
2. Ambac Assurance shall receive prior written notice of any Trustee (or Paying Agent) resignation.
3. Every successor Trustee appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to Ambac Assurance. Any successor Paying Agent, if applicable, shall not be appointed unless Ambac approves such successor in writing.
4. Notwithstanding any other provision of this [Financing Document], in determining whether the rights of the Holders will be adversely affected by any action taken pursuant to the terms and provisions of this [Financing Document], the Trustee (or Paying Agent) shall consider the effect on the Holders as if there were no Financial Guaranty Insurance Policy.
5. Notwithstanding any other provision of this [Financing Document], no removal, resignation or termination of the Trustee (or Paying Agent) shall take effect until a successor, acceptable to Ambac, shall be appointed.

EXHIBIT H

INTERESTED PARTIES

In addition to the provisions listed above, Ambac also requires the following provision be incorporated into the Financing Document:

A. Ambac As Third Party Beneficiary.

To the extent that this [Financing Document] confers upon or gives or grants to Ambac any right, remedy or claim under or by reason of this [Financing Document], Ambac is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

B. Parties Interested Herein.

Nothing in this [Financing Document] expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Obligor, the Trustee, Ambac Assurance, the Paying Agent, if any, and the registered owners of the Obligations; any right, remedy or claim under or by reason of this [Financing Document] or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this [Financing Document] contained by and on behalf of the Obligor shall be for the sole and exclusive benefit of the Obligor, the Trustee, Ambac Assurance, the Paying Agent, if any, and the registered owners of the Obligations.

EXHIBIT I

AMBAC ASSURANCE OFFICIAL STATEMENT DISCLOSURE AND SUGGESTED LANGUAGE FOR THE NOTICE OF SALE, OBLIGATION LEGEND, COVER PAGE OF OFFICIAL STATEMENT

AMBAC ASSURANCE OFFICIAL STATEMENT DISCLOSURE

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") relating to the Obligations effective as of the date of issuance of the Obligations. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Obligations which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the [Trustee/Paying Agent/Bond Registrar]. The insurance will extend for the term of the Obligations and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Obligations become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Obligations, Ambac Assurance will remain obligated to pay principal of and interest on outstanding Obligations on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Obligations, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the [Trustee/Paying Agent/Bond Registrar] has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.
2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of Obligations to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Obligations to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the Obligation, appurtenant coupon, if any, and right to payment of principal or interest on such Obligation and will be fully subrogated to the surrendering Holder's rights to payment.

FOR TRANSACTIONS INVOLVING AUCTION RATE SECURITIES:

The Financial Guaranty Insurance Policy does not insure against loss relating to payments made in connection with the sale of Obligations at Auctions or losses suffered as a result of a Holder's inability to sell Obligations.

FOR TRANSACTIONS INVOLVING VARIABLE RATE OBLIGATIONS:

The Financial Guaranty Insurance Policy does not insure against loss relating to payments of the purchase price of Obligations upon tender by a registered owner thereof or any preferential transfer relating to payments of the purchase price of Obligations upon tender by a registered owner thereof.

ADDITIONAL PARAGRAPH FOR CALIFORNIA TRANSACTIONS:

In the event that Ambac Assurance were to become insolvent, any claims arising under the Policy would be excluded from coverage by the California Insurance Guaranty Association, established pursuant to the laws of the State of California.

ADDITIONAL PARAGRAPH FOR NEW YORK TRANSACTIONS:

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the property/casualty insurance security fund specified by the insurance laws of the State of New York.

ADDITIONAL PARAGRAPH FOR FLORIDA TRANSACTIONS:

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the Florida Insurance Guaranty Association.

ADDITIONAL PARAGRAPH FOR CONNECTICUT TRANSACTIONS:

In the event that Ambac were to become insolvent, any claims arising under the Financial Guaranty Insurance Policy would be excluded from coverage by the Connecticut Insurance Guaranty Association.

ADDITIONAL PARAGRAPH FOR OKLAHOMA TRANSACTIONS:

WARNING: Any person who knowingly, and with intent to injure, defrauds or deceives any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

ADDITIONAL PARAGRAPH FOR VIRGINIA TRANSACTIONS:

The Policy shall not be deemed invalid due to the absence of the required signature or countersignature.

Ambac Assurance Corporation

Ambac Assurance Corporation ("Ambac Assurance") is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately \$6,789,000,000 (unaudited) and statutory

capital of \$4,043,000,000 (audited) as of June 30, 2003. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch, Inc. have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its Financial Guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Obligor of the Obligations. **[THE FOLLOWING MUST BE INCLUDED IN ANNUAL APPROPRIATION LEASE TRANSACTIONS: No representation is made by Ambac Assurance regarding the federal income tax treatment of payments that are made by Ambac Assurance under the terms of the Policy due to nonappropriation of funds by the Lessee.]**

Ambac Assurance makes no representation regarding the Obligations or the advisability of investing in the Obligations and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading "_____".

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York, 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

- 1) The Company's Current Report on Form 8-K dated January 23, 2003 and filed on January 24, 2003;
- 2) The Company's Current Report on Form 8-K dated February 25, 2003 and filed on February 28, 2003;
- 3) The Company's Current Report on Form 8-K dated February 25, 2003 and filed on March 4, 2003;
- 4) The Company's Current Report on Form 8-K dated March 18, 2003 and filed on March 20, 2003;

- 5) The Company's Current Report on Form 8-K dated March 19, 2003 and filed on March 26, 2003;
- 6) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and filed on March 28, 2003;
- 7) The Company's Current Report on Form 8-K dated March 25, 2003 and filed on March 31, 2003;
- 8) The Company's Current Report on Form 8-K dated April 17, 2003 and filed on April 21, 2003;
- 9) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2003 and filed on May 15, 2003;
- 10) The Company's Current Report on Form 8-K dated July 17, 2003 and filed on July 18, 2003; and
- 11) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2003 and filed on August 14, 2003.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in **"Available Information"**.

NOTICE OF SALE

Ambac Assurance Corporation ("Ambac Assurance") has issued a commitment for a financial guaranty insurance policy relating to the Obligations. All bids may be conditioned upon the issuance, effective as of the date on which the Obligations are issued, of a policy of insurance by Ambac Assurance, insuring the payment when due of principal of and interest on the Obligations. Each Obligation will bear a legend referring to the insurance. The purchaser, holder or owner is not authorized to make any statements concerning the insurance beyond those set out here and in the Bond Legend without the approval of Ambac Assurance.

BOND LEGEND

Financial Guaranty Insurance Policy No. __ (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

COVER PAGE OF OFFICIAL STATEMENT

Payment of the principal of and interest on the Obligations when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Obligations.

EXHIBIT J

FORM OF THE AMBAC LEGAL OPINION

> , 200_

Ladies and Gentlemen:

This opinion has been requested of the undersigned, a Vice President and an Assistant General Counsel of Ambac Assurance Corporation, a Wisconsin stock insurance company ("Ambac Assurance"), in connection with the issuance by Ambac Assurance of a certain Financial Guaranty Insurance Policy and endorsement thereto, effective as of the date hereof (the "Policy"), insuring \$> in aggregate principal amount of the > (the "Obligor"), > dated > (the "Obligations").

In connection with my opinion herein, I have examined the Policy, such statutes, documents and proceedings as I have considered necessary or appropriate under the circumstances to render the following opinion, including, without limiting the generality of the foregoing, certain statements contained in the Official Statement of the Obligor dated >, relating to the Obligations (the "Official Statement") under the headings ">" and ">".

Based upon the foregoing and having regard to legal considerations I deem relevant, I am of the opinion that:

1. Ambac Assurance is a stock insurance company duly organized and validly existing under the laws of the State of Wisconsin and duly qualified to conduct an insurance business in the State of >.
2. Ambac Assurance has full corporate power and authority to execute and deliver the Policy and the Policy has been duly authorized, executed and delivered by Ambac Assurance and constitutes a legal, valid and binding obligation of Ambac Assurance enforceable in accordance with its terms except to the extent that the enforceability (but not the validity) of such obligation may be limited by any applicable bankruptcy, insolvency, liquidation, rehabilitation or other similar law or enactment now or hereafter enacted affecting the enforcement of creditors' rights.
3. The execution and delivery by Ambac Assurance of the Policy will not, and the consummation of the transactions contemplated thereby and the satisfaction of the terms thereof will not, conflict with or result in a breach of any of the terms, conditions or provisions of the Certificate of Authority, Articles of Incorporation or By-Laws of Ambac Assurance, or any restriction contained in any contract, agreement or instrument to which Ambac Assurance is a party or by which it is bound or constitute a default under any of the foregoing.
4. Proceedings legally required for the issuance of the Policy have been taken by Ambac Assurance and licenses, orders, consents or other authorizations or approvals of any governmental boards or bodies legally required for the enforceability of the Policy have been obtained; any proceedings not taken and any licenses, authorizations or approvals not obtained are not material to the enforceability of the Policy.
5. The statements contained in the Official Statement under the heading ">," insofar as such statements constitute summaries of the matters referred to therein, accurately reflect and fairly present the information purported to be shown and, insofar as such statements describe Ambac Assurance, fairly and accurately describe Ambac Assurance.

6. The form of Policy contained in the Official Statement under the heading “>” is a true and complete copy of the form of Policy.

The opinions expressed herein are solely for your benefit, and may not be relied upon by any other person.

Very truly yours,

Vice President and
Assistant General Counsel

EXHIBIT K

CERTIFICATE OF OBLIGATION INSURER

In connection with the issuance of > in aggregate principal amount of (the "Obligor") > (the "Obligations"), Ambac Assurance Corporation ("Ambac") is issuing a Financial Guaranty insurance policy (the "Insurance Policy") guaranteeing the payment of principal and interest when due on the Obligations, all as more fully set out in the Insurance Policy.

On behalf of Ambac, the undersigned hereby certifies that:

(i) the Insurance Policy is an unconditional and recourse obligation of Ambac (enforceable by or on behalf of the holders of the Obligations) to pay the scheduled payments of interest and principal on the Obligations in the event of a Nonpayment as defined in the Insurance Policy;

(ii) the insurance premium of \$_____ was determined in arm's length negotiations in accordance with our standard procedures, is required to be paid as a condition to the issuance of the Insurance Policy and represents a reasonable charge for the transfer of credit risk;

(iii) no portion of such premium represents a payment for any direct or indirect services other than the transfer of credit risk, including costs of underwriting or remarketing the Obligations or the cost of insurance for casualty of Obligation financed property;

(iv) we are not co-obligors on the Obligations and do not reasonably expect that we will be called upon to make any payment under the Insurance Policy;

(v) the Obligor is not entitled to a refund for the Insurance Policy in the event that the Obligations are retired prior to their stated maturity; and

(vi) we would not have issued the Insurance Policy in the absence of a debt service reserve fund of the size and type established by the documents pursuant to which the Obligations are being issued, and it is normal and customary to require a debt service reserve fund of such a size and type in similar transactions.

IN WITNESS WHEREOF, Ambac Assurance Corporation has caused this certificate to be executed in its name on this > day of >, 200_ by one of its officers duly authorized as of such date.

AMBAC ASSURANCE CORPORATION

By: _____
Vice President and Assistant
General Counsel

EXHIBIT L

AMBAC ASSURANCE CORPORATION WIRING INSTRUCTIONS

Citibank N.A.
ABA NO. 021000089
For: Ambac Assurance Corporation
A/C No. 40609486
Attention: [Closing Coordinator], 212-208-3—

*** Please indicate Policy Number on wire and call your closing coordinator with your wire reference number on the morning of closing***

EXHIBIT M

REPRESENTATIONS, WARRANTIES AND COVENANTS FOR REVISED ARTICLE 9 COLLATERAL

1. This [Financing Agreement] creates a valid and binding [pledge of/assignment of/lien on and/or security interest in] the [described collateral] in favor of the [Trustee/Bondholders] as security for payment of the [Obligations], enforceable by the [Trustee/Bondholders] in accordance with the terms hereof.
2. Under the laws of the [state of issuer], (1) such [pledge of assignment/lien and/or security interest], (2) and each pledge, assignment, lien, or other security interest made to secure any prior obligations of [Obligor] which, by the terms hereof, ranks on a parity with or prior to the [pledge/assignment/lien and/or security interest] granted hereby, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the [Obligor] on a simple contract. By the date of issue of the [Obligations] the [Obligor] will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any [Obligation] is outstanding the [Obligor] will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the [Obligor] is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9.301--9.306 of such jurisdiction.
3. The [Obligor] has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of such collateral that ranks on a parity with or prior to the [pledge/assignment/lien and/or security interest] granted hereby [, except for the [pledge/assignment/lien and/or security interest] granted to secure the [Parity Obligations].] The [Obligor] shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in such collateral that ranks prior to or on a parity with the [pledge/assignment/lien and/or security interest] granted hereby, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby.

EXHIBIT B

PURCHASE CONTRACT

BOND PURCHASE AGREEMENT

\$30,000,000
St. Johns County, Florida
Transportation Improvement Revenue Bonds,
Series 2003

_____, 2003

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

Ladies and Gentlemen:

William R. Hough & Co. (the "Managing Underwriter") on behalf of itself and Merchant Capital L.L.C. (collectively, the "Underwriters") offers to enter into the following agreement (the "Purchase Contract") with St. Johns County, Florida (the "County"), which, upon your acceptance of this offer, will be binding upon the County and, jointly and severally, upon the Underwriters. This offer is made subject to your acceptance on or before 5:00 p.m., Eastern time, on the date hereof and if not so accepted, will be subject to withdrawal by the Underwriters upon notice to the County at any time prior to your acceptance hereof;

SECTION 1. PURCHASE AND SALE. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the County for offering to the public, and the County hereby agrees to sell and deliver to the Managing Underwriter for such purpose, all (but not less than all) of the County's \$30,000,000 Transportation Improvement Revenue Bonds, Series 2003 (the "Bonds"). The Bonds shall be dated as of December 1, 2003, and shall be issued in such principal amounts, bear such rates of interest, and be redeemable upon such terms as set forth in EXHIBIT A attached hereto. Interest on the Bonds shall be payable on April 1, 2004, and on each April 1 and October 1 thereafter. The aggregate purchase price of the Bonds is \$_____ (representing the principal amount of \$_____, less an underwriters' discount of \$5.54 per \$1,000 of the Bonds which is equal to \$_____, less an original issue discount of \$_____ and plus an original issue premium of \$_____) plus accrued interest from December 1, 2003 to the Closing Date (as hereinafter defined). The Bonds shall initially be offered to the public at such prices or yields as indicated on EXHIBIT A attached hereto. The Bonds are being issued pursuant to the Constitution and Laws of the State of Florida, particularly, Chapter 125, Part I, Florida Statutes, as amended, Section 336.025 Florida Statutes, as amended, County Ordinance 86-89, as amended and other applicable provisions of law (the "Act") and pursuant and subject to the terms and conditions of County Ordinances 86-61 and 2003-____ and of Resolution No. 92-103 duly adopted by the Board of County Commissioners of the County (the

"Board") on June 23, 1992, as supplemented by a resolution duly adopted by the Board on November 4, 2003 (collectively, the "Resolution"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Resolution. The Bonds are special and limited obligations of the County, payable solely from and secured by the Pledged Funds (defined below).

The County is proposing to issue the Bonds to: (a) finance all or a portion of the cost of the acquisition, construction and installation of the 2003 Project (as defined in the Resolution), (ii) fund the reserve account requirement for the Bonds, and (iii) pay the costs of issuance related to the Bonds, including payment of the premium for a municipal bond insurance policy (the "Bond Insurance Policy") to be purchased from Ambac Assurance Corporation (the "Insurer"). The Bonds will be secured by a prior lien upon and a pledge of 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 Bonds and all moneys, including investments thereof, in certain of the funds and accounts established pursuant to the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"). The Bonds will be issued on a parity with the County's outstanding Transportation Improvement Revenue Refunding Bonds, Series 2002.

Concurrently with the execution and delivery of the Bonds, there are to be executed and delivered, among other things, (a) the Continuing Disclosure Certificate of the County dated as of December 1, 2003 (the "Continuing Disclosure Certificate"), (b) the Registrar and Paying Agency Agreement dated as of December 1, 2003 (the "Registrar and Paying Agency Agreement"), between the County and Bank One Trust Company, National Association, its successors and assigns, as registrar and paying agent for the Bonds (the "Registrar and Paying Agent"), (c) the Tax Certificate of the County dated as of December 1, 2003 (the "Tax Certificate") and (d) any other documents related to the transactions contemplated in the Official Statement in connection with the public offering, sale and distribution of the Bonds.

SECTION 2. UNDERWRITERS' LIABILITY. Delivered to you herewith, as a good faith deposit, is a corporate check of the Managing Underwriter payable to the order of the County in the amount of \$_____ as security for the performance by the Underwriters of their obligation to accept and pay for the Bonds at Closing in accordance with the provisions hereof. In the event that you accept this offer, said check will be held uncashed by the County as a good faith deposit. At the Closing, the check will be returned to the Managing Underwriter. In the event you do not accept this offer, the check shall be immediately returned to the Managing Underwriter. If the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Bonds at the Closing as provided herein, the check may be cashed by the County and the proceeds retained by the County as full liquidated damages for the failure of the Underwriters to accept and pay for the Bonds at closing and for any and all defaults hereunder on the part of the Underwriters, and the retention of such amounts shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults hereunder on the part of the Underwriters, it being understood by both the County and the Underwriters that actual damages in such circumstances may be difficult or impossible to compute.

In the event that the County fails to deliver the Bonds at the Closing, or if the County is unable at or prior to the Closing Date to satisfy or cause to be satisfied the conditions to the obligations of the Underwriters contained in this Purchase Contract, or if the obligations of the Underwriters contained herein shall be cancelled or terminated for any reason permitted by this Purchase Contract, the County shall be obligated to immediately return the check to the Managing Underwriter and such return shall constitute a full release and discharge of all claims by the County and the Underwriters arising out of the transaction contemplated herein except for the respective obligations of the County and the Underwriters set forth in Section 8 below.

SECTION 3. OFFERING. The Underwriters agree to make a public offering of the Bonds at the initial offering prices set forth in EXHIBIT A attached hereto; provided, however, the Underwriters reserves the right to make concessions to dealers and to change such initial offering prices as the Underwriters shall deem necessary in connection with the marketing of the Bonds.

It shall be a condition of your obligation to sell the Bonds and deliver the Bonds to the Managing Underwriter, and the obligation of the Underwriters to purchase and accept delivery of the Bonds, that the entire initial aggregate principal amount of the Bonds shall be sold and delivered by you and accepted and paid for by the Underwriters at the Closing.

SECTION 4. PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT. The County hereby confirms that it has made available to the Underwriters a Preliminary Official Statement of the County relating to the Bonds dated _____, 2003 (which, together with the cover page and appendices contained therein, is herein called the "Preliminary Official Statement"). Within seven business days of the acceptance hereof by the County, the County shall deliver to the Managing Underwriter, at the County's expense such reasonable number of conformed copies of the Official Statement (which, together with the official cover page and appendices contained therein, is herein called the "Official Statement"), as the Managing Underwriter shall reasonably request which shall be sufficient in number to permit the Underwriters to comply with paragraph(b)(4) of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange

Act of 1934") and with Rule G-32 and all other applicable rules of Municipal Securities Rulemaking Board. The County, by its acceptance hereof ratifies and approves the Preliminary Official Statement as of its date and approves and authorizes the Underwriters to use the Official Statement and all documents described therein in connection with the public offering and the sale of the Bonds. The County agrees to make no amendments to the Official Statement without the prior written consent of the Managing Underwriter, which consent shall not be unreasonably withheld. In addition, the County will undertake, pursuant to the Resolution and the Continuing Disclosure Certificate dated the Closing Date to provide certain annual financial and operating information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Offering Statement and will also be set forth in the final Official Statement.

In accordance with Section 218.385(6), Florida Statutes, the Underwriters hereby disclose the required information as provided in EXHIBIT B attached hereto. In accordance with 218.385(2) and (3), Florida Statutes, the Underwriters have delivered to the County the Truth-in-Bonding statement, which statement is attached hereto as EXHIBIT C.

SECTION 5. REPRESENTATIONS, WARRANTIES AND AGREEMENTS. The County hereby represents, warrants and agrees as follows:

(a) As of the date of the Preliminary Official Statement and the date of this Purchase Contract, and as of the date of Official Statement and at the time of Closing, the statements and information contained in the Preliminary Official Statement and Official Statement will be true, correct and complete in all material respects and the Preliminary Official Statement and Official Statement will not omit any statement or information which should be included therein for the purposes for which the Preliminary Official Statement and Official Statement is to be used or which is necessary to make the statements or information contained therein, in light of the circumstances under which they were made, not misleading (provided, however, that no representation or warranty is being provided with respect to the Bond Insurance Policy or DTC and its book-entry system).

(b) Between the date of this Purchase Contract and the time of Closing, the County will not execute any bonds, notes or obligations for borrowed money, other than the Bonds, which pledge either the full faith and credit of the County or the Pledged Funds, without giving prior written notice thereof to the Managing Underwriter.

(c) The County is, and will be at the Closing Date, duly organized and validly existing as a political subdivision of the State of Florida, with the powers and authority set forth in the Act.

(d) The County has full legal right, power and authority to: (i) enter into this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate and the Tax Certificate, (ii) adopt the Resolution, (iii) sell, issue and deliver the Bonds to the Underwriters under the Act as provided herein, and (iv) carry out and consummate the transactions contemplated by this Purchase Contract, the Resolution, the Registrar and Paying Agency Agreement, Continuing Disclosure Certificate, the Tax Certificate and the Official Statement, and the County has complied, and at the Closing will be in compliance, in all

respects, with the terms of the Act and with the obligations on its part in connection with the issuance of the Bonds contained in the Resolution, the Bonds, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate and this Purchase Contract.

(e) By all necessary official action, the County has (i) duly adopted the Resolution, (ii) duly authorized and approved the Official Statement, and (iii) duly authorized and approved the execution and delivery of, and the performance by the County of, the Bonds, this Purchase Contract, the Resolution, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate and all other obligations on its part in connection with the issuance of the Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Official Statement and the Tax Certificate in connection with the issuance of the Bonds; and upon delivery of the Bonds at the Closing, the Resolution, this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate and the Tax Certificate will constitute legal, valid and binding obligations of the County, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(f) When delivered to the Managing Underwriter and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Contract, the Bonds shall be entitled to the benefits of the Resolution in accordance with the provisions of the Resolution, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(g) The adoption of the Resolution and the authorization, execution and delivery of this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate and the Bonds, and compliance with the provisions hereof and thereof, will not conflict with, or constitute a material breach of or default under any law, administrative regulation, consent decree, ordinance, resolution or any agreement or other instrument to which the County was or is subject, as the case may be, nor will such adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution.

(h) At the time of Closing, the County will be in compliance in all respects with the covenants and agreements contained in the Resolution and no event of default and no event which, with the lapse of time or giving of notice, or both, would constitute an event of default under the Resolution will have occurred or be continuing.

(i) Except as provided in the Official Statement, all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations hereunder and its obligations under the Resolution have been obtained and are in full force and effect.

(j) The County is lawfully empowered to pledge and grant a lien on the Pledged Funds for payment of the principal of, redemption premium, if any, and interest on the Bonds.

(k) Except as expressly disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency or public board or body pending or, to the best knowledge of the County, threatened against the County, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the Pledged Funds or the pledge of and lien on the Pledged Funds or contesting or affecting as to the County the validity or enforceability in any respect of the Bonds, the Resolution, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate or this Purchase Contract, or contesting the tax-exempt status of interest on the Bonds, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the County or the Board of County Commissioners (the "Commission") or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery by the County of the Bonds, this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate or the Tax Certificate.

(l) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Managing Underwriter may reasonably request in order to (i) qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the County shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(m) The County will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided for in the Resolution, and as described in the Official Statement.

(n) The County neither is nor has been in default at any time after December 31, 1975, as to principal or interest with respect to an obligation issued or guaranteed by the County as to which County revenues are pledged.

(o) As of its date, the Preliminary Official Statement was deemed "final" by the County for the purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain matters permitted thereby.

(p) If, after the date of this Purchase Contract and until the earlier of (i) 90 days from the end of the "underwriting period" (as defined in SEC Rule 15c2-12) or (ii) the time when the Official Statement is available to any person from a nationally recognized repository, but in no case less than 25 days following the end of the underwriting period, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the

statements therein, in the light of the circumstances under which they were made, not misleading, the County shall notify the Managing Underwriter thereof and, if in the opinion of the Managing Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its own expense forthwith prepare and furnish to the Managing Underwriter a sufficient number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Managing Underwriter) which will supplement or amend the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading.

(q) Any certificate signed by any official of the County and delivered to the Managing Underwriter shall be deemed a representation and warranty by the County to the Underwriters as to the truth of the statements therein contained.

(r) The County has never failed to comply with any prior continuing disclosure obligation arising out of SEC Rule 15c2-12.

SECTION 6. CLOSING. At noon, local time, on December ___, 2003 (the "Closing Date"), or at such time on such earlier or later date as shall be agreed upon, the County will, subject to the terms and conditions hereof deliver to the Managing Underwriter in care of DTC in the City of New York, New York or such other location as shall be acceptable to the County and DTC, the Bonds in permanent form, duly executed, and will deliver the other documents herein mentioned at a location mutually agreed upon by the County and the Managing Underwriter, and the Underwriters will pay the purchase price of the Bonds as set forth in Section 1 hereof plus accrued interest on the Bonds from December 1, 2003 to the Closing Date, by immediately available funds, payable to the order of the County. This delivery and payment is herein called the "Closing."

SECTION 7. CLOSING CONDITIONS. The Underwriters have entered into this Purchase Contract in reliance upon the representations and warranties of the County herein contained and the performance by the County of its obligations hereunder, both as of the date hereof and as of the time of Closing. The obligations of the Underwriters under this Purchase Contract are and shall be subject to each of the following conditions and the obligations of the County shall be subject to the County being paid the aggregate purchase price of the Bonds and the County receiving the items described in conditions (f)(ii), (f)(iv), (f)(vi) through (f)(xiv), (f)(xvii) and (f)(xviii):

(a) The representations and warranties of the County contained herein shall be true and correct as of the date hereof and as of the Closing Date, as if made on the Closing Date.

(b) The County shall have performed all agreements of the County required to be performed under the Resolution and this Purchase Agreement prior to or on the Closing Date.

(c) At the time of the Closing, the Resolution shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Managing Underwriter.

(d) At the time of the Closing, all official action of the County relating to this Purchase Contract, the Resolution, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate, the Official Statement and the Bonds shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect, except in each case as may have been agreed to by the Managing Underwriter.

(e) The Managing Underwriter may terminate the Underwriters' obligations hereunder by written notice to the County if, at any time subsequent to the date hereof and on or prior to the Closing Date:

(i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State of Florida, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or legislation shall have been proposed for consideration by either such Committee, by the Staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State of Florida, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or a form of notice shall have been made or a regulation shall have been proposed or a form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other Federal or State of Florida authority, with respect to Federal or State of Florida taxation upon revenues or other income of the general character to be derived by the County or by any similar body, or upon interest on obligations of the general character of the Bonds, which (A) may have the purpose or effect, directly or indirectly, of affecting the tax status of the County, its property or income, its securities (including the Bonds) or the interest thereon, or any applicable tax exemption granted or authorized by the State of Florida and, (B) which in the reasonable opinion of the Managing Underwriter, affects adversely the market for the Bonds, or the market price generally of obligations of the general character of the Bonds; or

(ii) (A) in the Managing Underwriter's reasonable judgment, the market price of the Bonds is materially adversely affected because: (I) additional material restrictions not in force as of the effective date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (II) the New York Stock Exchange or other national securities exchange, or any 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; or (III) a general banking moratorium shall have been established by federal, New York or Florida authorities; or (B) there shall have occurred any material change, or any other event

which in the Managing Underwriter's reasonable opinion and concurrence by appropriate representatives of the County, materially adversely affects the marketability of the Bonds at the purchase price set forth in Section 1, herein; or (C) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds, any of the proceedings of the County taken with respect to the issuance or sale thereof, the pledge or application of any moneys or securities provided for the payment of the Bonds or the existence or powers of the County; or

(iii) (A) in the Managing Underwriter's reasonable judgment, and concurrence by the appropriate representatives of the County, the purchase price of the Bonds set forth in Section 1, herein is adversely affected because a war involving the United States of America shall have been declared, or (B) any other national or international calamity shall have occurred (economic or otherwise), or any conflict involving the armed forces of the United States of America shall have escalated to such magnitude as to materially affect the Underwriters' physical or technical ability to market the Bonds;

(iv) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933 (the "Exchange Act of 1933"), the Exchange Act of 1934, and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); or

(v) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates); or

(vi) legislation shall be enacted or be proposed or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, or regulation, by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Bonds or any securities of the County, any obligations of the general character of the Bonds, and the Resolution, are not exempt from the registration, qualification or other requirements of the Exchange Act of 1933, as amended and as then in effect or of the Trust Indenture Act, as then in effect, or otherwise, or would be in violation of any provision of the federal securities laws.

In the event that (i) any amendment or supplement to the Official Statement is proposed or deemed necessary by the Managing Underwriter, and (ii) the County notifies the Managing Underwriter that it has determined not to undertake such amendment or supplement, accompanied by a letter from its Bond Counsel and Disclosure Counsel that such firms are prepared to deliver, at the Closing of the Bonds, their respective opinions, then the proposed amendment or supplement to the Official Statement shall be immediately disclosed by the County and the Managing Underwriter to the Rating Agencies (as defined herein) and the Insurer. In the event that as a result of such disclosure (A) any of such Ratings Agencies notify

the County and the Managing Underwriter that they will provide a lower underlying rating on the Bonds than that specified in Section 7(f)(ix) hereof or place the Bonds on a "credit watch" or the equivalent, and/or (B) the Insurer notifies the County and the Managing Underwriter that it will not deliver the Bond Insurance Policy or that it will increase the premium for such policy as a result of such disclosure, this Purchase Contract may be terminated by the Managing Underwriter without liability on the part of the Underwriters.

(f) At or prior to the Closing Date, the Managing Underwriter shall receive the following documents:

(i) The Resolution certified by the County Clerk under seal as having been duly adopted by the County and as being in effect, with such supplements, modifications or amendments as may have been agreed to by the Underwriters.

(ii) A final approving opinion of Foley & Lardner, Bond Counsel, addressed to the County, dated the date of the Closing, in substantially the form included in the Official Statement as Appendix E.

(iii) A letter of Bond Counsel addressed to the Underwriters and the Insurer, and dated the Closing Date, to the effect that their final approving opinion referred to in Section 7(f)(ii) hereof may be relied upon by the Underwriters and the Insurer to the same extent as if such opinion were addressed to the Underwriters and the Insurer.

(iv) An opinion of the Office of the County Attorney, addressed to the County, the Underwriters and the Insurer, and dated the date of the Closing, substantially to the effect that:

(A) the Resolution has been duly adopted by the County and the Bonds, this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate and the Tax Certificate have been duly authorized, executed and delivered by the County, and the Resolution, the Continuing Disclosure Certificate, the Tax Certificate, the Bonds, when duly authenticated, and the Purchase Contract, the Registrar and Paying Agency Agreement, when duly executed by the other parties thereto constitute valid, legal and binding agreements of the County enforceable in accordance with their respective terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally;

(B) the County is a political subdivision duly existing under the Constitution and laws of the State of Florida and has good right and lawful authority to issue the Bonds, to secure the Bonds in the manner provided in the Resolution, to carry out its powers under the Act (as defined in the Resolution) and to perform all of its obligations under the Resolution, the Bonds, the Purchase Contract, the Continuing Disclosure Certificate and the Registrar and Paying Agency Agreement;

(C) no consent, waiver or any other action by any person, board or body, public or private, other than the approval of the County which has been duly and validly obtained, is required as of the date hereof for the County to issue the Bonds or adopt the Resolution, or to execute and deliver the Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate or Tax Certificate, or to perform its obligations under any of the foregoing;

(D) to the best of his knowledge, the adoption of the Resolution and the execution and delivery of this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate and the Bonds and compliance with the provisions of each do not and will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State of Florida, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a part or is otherwise subject;

(E) except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending or, to the best of his knowledge, threatened, challenging the creation, organization or existence of the County or the validity of the Bonds, the Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate or the Tax Certificate or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or which, in any manner, questions the right of the County to issue the Bonds or to pledge the Pledged Funds for repayment of the Bonds;

(F) nothing has come to his attention that would lead him to believe that the Official Statement as of its date or as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(G) the Official Statement has been duly authorized, executed and delivered by the County, and the County has consented to the use thereof by the Underwriters; and

(H) the County is lawfully empowered to pledge and grant a lien on the Pledged Funds, for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

(I) for purposes of the opinion, he has assumed that the interest on the Bonds is excluded from gross income for federal income tax purposes and that neither the Bonds, the Purchase Contract, the Registrar and Paying Agency Agreement the Official Statement, the Resolution, the Continuing Disclosure Statement, the Tax Certificate nor any other matter or documents need to be registered or qualified under the Exchange Act of 1933, as amended, the Florida

Securities Act, Chapter 517 Florida Statutes, as amended, the Trust Indenture Act, or the securities or blue sky laws of any jurisdiction.

(v) A certificate, which shall be true and correct at the time of Closing, signed by the Chairman and the Clerk or such other officials satisfactory to the Managing Underwriter, and in form and substance satisfactory to the Managing Underwriter, to the effect that, to the best of their knowledge and belief

(A) the representations, warranties and covenants of the County contained herein are true and correct in all material respects as of the Closing Date and that the County has satisfied all conditions to be performed or satisfied hereunder at or prior to Closing;

(B) the Official Statement did not as of its date, and does not as of the Closing Date, 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 the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading (provided, that no opinion need be expressed regarding the information contained therein relating to the Insurer, the Bond Insurance Policy, DTC and its book-entry system);

(C) that, except as disclosed in the Official Statement, no litigation or other proceedings are pending or, to his or her knowledge, threatened against the County in any court or other tribunal of competent jurisdiction, State or Federal, in any way (I) restraining or enjoining the issuance, sale or delivery of any of the Bonds, or (II) questioning or affecting the validity of this Purchase Contract, the Bonds, the Resolution, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate or the pledge by the County to the Bondholders of the Pledged Funds, or (III) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, issuance or delivery of the Bonds or (IV) questioning or affecting (1) the organization or existence of the County or the title to office of the officers thereof or (2) the power or authority of the County to receive the Pledged Funds or (V) asserting that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(D) that except as disclosed in the Official Statement, the County is not in default nor has been in default at anytime after December 31, 1975 as to principal or interest with respect to any obligation issued or guaranteed by the County;

(E) that no event affecting the County has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or that is necessary to be disclosed therein in

order to make the statements and information therein not misleading in any material respect; and

(F) that since the date of the financial statements included in the Official Statement, (I) no material adverse change has occurred in the financial condition of the County and (II) the County has not incurred any material liabilities other than in the ordinary course of business, except as set forth in or contemplated by the Official Statement.

(vi) An opinion of Foley & Lardner, as Bond Counsel, addressed to the County and the Underwriters, and dated the Closing Date, to the effect that:

(A) with respect to the information in the Official Statement and based upon said firm's review of the Official Statement, as Bond Counsel, and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, it is of the opinion that the information in the Official Statement under the headings "INTRODUCTION," "DESCRIPTION OF THE SERIES 2003 BONDS," "SECURITY FOR THE SERIES 2003 BONDS," "TAX MATTERS" (except for the financial and statistical data contained in any such headings, as to which no view need be expressed), "ENFORCEABILITY OF REMEDIES" and "APPENDIX C – THE RESOLUTION" insofar as such information purports to be descriptions or summaries of the Resolution, the Bonds or state and federal laws to the extent indicated therein, are accurate and fair statements or summaries of the matters set forth or the documents referred to therein; and

(B) the Bonds are exempt from registration under the Exchange Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture under the Trust Indenture Act.

(vii) An opinion of Nabors, Giblin & Nickerson, P.A., as Disclosure Counsel, addressed to the County and the Underwriters, and dated the Closing Date, to the effect that it has participated in the preparation and review of the Official Statement dated _____, 2003 (the "Official Statement") relating to the Bonds; has conferred with certain of the County's officers and representatives; and has examined such other documents, proceedings, records and other instruments as it has deemed necessary or advisable; and without passing upon, or assuming responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement, and without independent verification of factual matters, pursuant to Rule 10b-5 promulgated by the SEC nothing has come to its attention that would lead it to believe that the Official Statement contains any untrue statement of material fact or omits to state any 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 and the Continuing Disclosure Certificate, together with the Official Statement satisfy the requirements contained in Rule 15c2-12-12(b)(5) (the "Rule") promulgated by the SEC for an undertaking for the benefit of the owners of the Bonds to provide the information at the times and in the manner required by the Rule. No opinion need be expressed as to the

ability of the County to comply with the terms and provisions of the Resolution, or the provisions of any other document or certificate, nor as to the portions of the Official Statement captioned "BOOK ENTRY-ONLY SYSTEM," "MUNICIPAL BOND INSURANCE," Appendices A, B, E or F thereto, or any financial, statistical, economic or demographic information included in the Official Statement.

(viii) A certificate of an authorized representative of the Registrar, as Paying Agent to the effect that:

(A) the Registrar and Paying Agent is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers,

(B) the Registrar and Paying Agent has all the requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Resolution and the Registrar and Paying Agency Agreement;

(C) the performance by the Registrar and Paying Agent of its functions under the Resolution and the Registrar and Paying Agency Agreement will not result in any violation of the Articles of Association or Bylaws of the Registrar and Paying Agent, any court order to which the Registrar and Paying Agent is subject or any agreement, indenture or other obligation or instrument to which the Registrar and Paying Agent is a party or by which the Registrar and Paying Agent is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Registrar and Paying Agent is required in order for the Registrar and Paying Agent to perform its functions under the Resolution and the Registrar and Paying Agency Agreement;

(D) the Registrar and Paying Agency Agreement constitutes a valid and binding obligation of the Registrar and Paying Agent in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity; and

(E) to the best of such authorized representative's knowledge, there is no action, suit, proceeding, or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against or affecting the Registrar and Paying Agent wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Registrar to perform its obligations under the Resolution and the Registrar and Paying Agency Agreement.

(ix) Letters of Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's, a division of the McGraw-Hill Companies, Inc. ("S&P," together with Moody's are collectively referred to as the "Rating Agencies") to the effect that the Bonds have

been assigned a rating no less favorable than "AAA" and "AAA," respectively, which ratings shall be in effect as of the Closing Date.

(x) Duly executed copies of the Bond Insurance Policy, the Registrar and Paying Agency Agreement, the Tax Certificate and the Continuing Disclosure Certificate in form acceptable to the Managing Underwriter and bond counsel.

(xi) An opinion of general counsel to the Insurer and a certificate of an officer of the Insurer dated the date of the Closing and addressed to the Underwriters and the County, concerning the Insurer, the Policy, and the information relating to the Insurer and the Policy, contained in the Official Statement, in form and substance satisfactory to the Managing Underwriter.

(xii) A certificate executed by the Chairman and the Clerk dated the Closing Date, satisfactory to Bond Counsel setting forth the facts, estimates and circumstances which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended, and to the best of the knowledge and belief of such officer, such expectations are reasonable.

(xiii) A letter of representations of the County to DTC.

(xiv) A consent letter of the County's independent auditor.

(xv) Internal Revenue Service Form 8038-G.

(xvi) State of Florida Division of Bond Finance Form BF2003/2004-B.

(xvii) A certificate from the County's financial advisor that the Minimum Purchase Price has not been exceeded, that the parameters have been met and that the issuance of the Bonds complies with Section 5.02 of the Original Resolution for the issuance of Additional Bonds.

(xviii) A certificate from an engineer meeting the requirements of the Treasury Regulations relating to the temporary period for the investment of original and investment proceeds of the Bonds.

(xvix) Such additional legal opinions, certificates, instruments and other documents as the Managing Underwriter may reasonably request, to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the County's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

If the County shall be unable to satisfy the conditions to the obligations of the Managing Underwriter to accept delivery of the Bonds and the Underwriters to purchase and to pay for the Bonds contained in this Purchase Contract and the Managing Underwriter does not waive such

inability in writing (except that the delivery of the Continuing Disclosure Certificate cannot be waived), or if the obligations of the Managing Underwriter to accept delivery of the Bonds and the Underwriters to purchase and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, or if the Bonds are not issued and delivered by the County in the year 2003, this Purchase Contract shall terminate, the good faith deposit described in Section 2 hereof shall be returned to the Managing Underwriter and neither the Underwriters nor the County shall be under any further obligation hereunder, except that the respective obligations of the County and the Underwriters set forth in Section 8 hereof shall continue in full force and effect.

SECTION 8. EXPENSES. The Underwriters shall be under no obligation to pay, and the County shall pay, any expense incident to the performance of the County's obligations hereunder including, but not limited to: (a) the cost of preparation, printing and delivery of the Resolution; (b) the cost of preparation and printing of the Bonds, (c) the fees and expenses of Bond Counsel and Disclosure Counsel, (d) the fees and disbursements of the County's certified public accountants; (e) the fees and expenses of Public Financial Management, Inc., the County's financial advisor for the Bonds; (f) the fees and disbursements of any other experts, consultants or advisors retained by the County; (g) fees for bond ratings; (h) the fees and expenses of the Registrar and Paying Agent; and (i) the costs of preparing, printing and delivering the Preliminary Official Statement and the Official Statement and any supplements or amendments thereto. The Underwriters shall pay: (a) the cost of printing and delivery of this Purchase Contract; (b) the cost of all "Blue Sky" and legal investment memoranda and related filing fees; (c) all advertising expenses, and (d) all other expenses incurred by it in connection with the public offering of the Bonds including the fees and disbursements of counsel for the Underwriters, if any. In the event that either party shall have paid obligations of the other as set forth in this Section 8, adjustment shall be made at the time of the Closing.

SECTION 9. NOTICES. Any notice or other communication to be given to you under this Purchase Contract may be given by mailing the same to the attention of the County Administrator, at the address set forth on the first page hereof, and any such notice or other communication to be given to the Underwriters may be mailed to William R Hough & Co., One Independent Drive, Suite 3204, Jacksonville, Florida 32202, Attention: Mitchell N. Owens.

SECTION 10. PARTIES IN INTEREST. This Purchase Contract is made solely for the benefit of the County and the Underwriters and no other party or person shall acquire or have any right hereunder or by virtue hereof. All of the County's representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect and shall survive the delivery of the Bonds.

SECTION 11. WAIVER. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Managing Underwriter may be waived by the Managing Underwriter, and the approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be evidenced by their purchase of the Bonds; provided, however, the Managing Underwriter may not waive the delivery of the Continuing Disclosure Certificate.

SECTION 12. NO LIABILITY. Neither the Commission, nor any of the members thereof, nor any officer, agent or employee thereof shall be charged personally by the Underwriters with any liability, or held liable to the Underwriters under any term or provision of this Purchase Contract because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

SECTION 13. GOVERNING LAW. This Purchase Contract, and the terms and conditions herein, shall constitute the full and complete agreement between the County and the Underwriters with respect to the purchase and sale of the Bonds. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 14. OPERATION OF WARRANTIES, ETC. All the representations, warranties, covenants and agreements of the County in this Purchase Contract shall remain operative and in full force and effect as if made on the date hereof and the Closing Date, regardless of (i) any investigation made by or on behalf of the Underwriters or by Disclosure Counsel, or (ii) delivery of and any payment for the Bonds hereunder.

SECTION 15. SECTION HEADINGS. Section headings have been inserted in this Purchase Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Purchase Contract and will not be used in the interpretation of any provisions of this Purchase Contract.

SECTION 16. SEVERABILITY. If any provision of this Purchase Contract shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, or rule of public policy, or for any other reasons, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

SECTION 17. EXECUTION OF COUNTERPARTS. This Purchase Contract may be executed in any number of counterparts, all of which taken together shall be one and the same instrument, and any parties hereto may execute this Purchase Contract by signing any such counterpart. The execution of this Purchase Contract has been duly authorized by the Commission.

SECTION 18. GOVERNING LAW. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 19. EFFECTIVENESS. This Purchase Contract shall become effective upon the execution by the appropriate County officials of the acceptance hereof by the County and shall be valid and enforceable at the time of such acceptance.

Very truly yours,

WILLIAM R. HOUGH & CO., on behalf of
itself and Merchant Capital L.L.C.

By: _____
Mitchell N. Owens, Senior Vice President

Accepted this ____ day of _____, 2003
by the Board of County Commissioners of
St. Johns County, Florida

By: _____
County Administrator

EXHIBIT A

MATURITY SCHEDULE

\$30,000,000

ST. JOHNS COUNTY, FLORIDA

**Transportation Improvement Revenue Bonds
Series 2003**

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2004	\$	%	%
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			

\$ _____ % Term Bonds due October 1, ____ - Price or Yield _____ %
 \$ _____ % Term Bonds due October 1, ____ - Price or Yield _____ %

Redemption

EXHIBIT B

DISCLOSURE STATEMENT

Board of County Commissioners of
St. Johns County, Florida
County Courthouse
4010 Lewis Speedway
St. Augustine, Florida 32084

Re: \$30,000,000 St. Johns County, Florida Transportation Improvement Revenue
Bonds, Series 2003

Ladies and Gentlemen:

In connection with the proposed issuance by St. Johns County, Florida of \$30,000,000 of its Transportation Improvement Revenue Bonds, Series 2003 (the "Bonds"), William R. Hough & Co. (the "Managing Underwriter") and Merchant Capital L.L.C. (collectively, the "Underwriters") are underwriting a public offering of the Bonds. The purpose of this letter is to furnish on behalf of the Underwriters, pursuant to the provisions of Section 218.385(6), Florida Statutes, certain information in respect of the arrangements contemplated for the underwriting of the Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriters in connection with the purchase and reoffering of the Bonds are set forth in Schedule I attached hereto.

(b) No person has entered into an understanding with the Underwriters, or to the knowledge of the Underwriters, with the County, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the County and the Underwriters or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Bonds.

(c) The underwriting spread, the difference between the price at which the Bonds will be initially offered to the public by the Underwriters and the price to be paid to the County for the Bonds, exclusive of accrued interest, will be \$5.54 per \$1,000 of Bonds issued.

(d) As part of the estimated underwriting spread set forth in Paragraph (c) above, the Underwriters will charge a management fee of \$_____ per \$1,000 of Bonds issued.

No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriters (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Underwriters, as set forth in Paragraph (a) above.

(e) The names and addresses of the Underwriters are not forth below:

William R. Hough & Co.
One Independent Drive
Suite 3204
Jacksonville, Florida 32202

Merchant Capital LLC
250 Commerce Street, 4th Floor
Montgomery, Alabama 36104

We understand that you do not require any further disclosure from the Underwriters, pursuant to Section 218.385(6), Florida Statutes.

WILLIAM R. HOUGH & CO., on behalf of
itself and Merchant Capital L.L.C.

By: _____
Mitchell N. Owens, Senior Vice President

SCHEDULE I

UNDERWRITERS' ESTIMATED EXPENSES

	<u>(per \$1,000)</u>
MSRB, CUSIP, DTC, PSA	
Travel and Closing	
Communications/Advertising	
Day Loan	
Clearance	
Total Expenses	

EXHIBIT C

TRUTH-IN BONDING STATEMENT

The following truth-in-bonding statement is prepared pursuant to Section 218.385(2) and (3), Florida Statutes, and is for informational purposes only. It shall not affect or control the actual terms and conditions of the debt or obligations.

St. Johns, Florida (the "County") is proposing to issue \$30,000,000 of St. Johns County, Florida, Transportation Improvement Revenue Bonds, Series 2003 (the "Bonds") for the purpose of financing the cost of all or a portion of the cost of the acquisition, construction and installation of various transportation capital projects, to fund the reserve account requirement and to pay certain costs and expenses related to the issuance of the Bonds including the cost of a municipal bond insurance policy. The Bonds are expected to be repaid over a period of approximately _____ years. At the interest rates set forth in EXHIBIT A of the Purchase Contract, total interest paid over the life of the Bonds inclusive of accrued interest will be \$_____.

The Bonds are secured by a prior lien upon and a pledge of 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 Bonds and all moneys, including investments thereof, and certain of the funds and accounts established pursuant to Resolution No. 92-103 adopted by the County on June 23, 1992, as supplemented by a resolution adopted by the County on November 4, 2003 (collectively, the "Resolution"), all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"). Authorizing the Bonds will result in \$_____ of the County's portion of the six-cent local option gas tax revenues not being available to finance other projects of the County each year for _____ years.

EXHIBIT C

DRAFT PRELIMINARY OFFICIAL STATEMENT

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. The Series 2003 Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances may 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 Series 2003 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER ____, 2003

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Moody's: "___" (___ Insured)
"A2" (Underlying)
S&P: "___" (___ Insured)
"A" (Underlying)

In the opinion of Bond Counsel, under existing law, assuming continuing compliance with certain covenants in the Resolution described herein, interest on the Series 2003 Bonds is excluded from gross income for federal income tax purposes, and the Series 2003 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes on the 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 Series 2003 Bonds.

[INSERT COUNTY LOGO]

\$30,000,000*
ST. JOHNS COUNTY, FLORIDA
Transportation Improvement Revenue Bonds
Series 2003

Dated: December 1, 2003

Due: October 1 in each year as shown below

The Transportation Improvement Revenue Bonds, Series 2003 (the "Series 2003 Bonds") are being issued by St. Johns County, Florida (the "County"), as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Interest (first payment due April 1, 2004 and on each October 1 and April 1 thereafter) on the Series 2003 Bonds will be payable by check or draft mailed to the registered owner by Bank One Trust Company, National Association, with a designated corporate trust office in Columbus, Ohio, as Registrar and Paying Agent. Principal of the Series 2003 Bonds is payable to the registered owner upon presentation, when due, at the corporate trust office of the Paying Agent. Upon initial issuance the Series 2003 Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"). So long as DTC, or its nominee, is the registered owner of the Series 2003 Bonds, payment of the principal of and interest on the Series 2003 Bonds will be provided by the Paying Agent directly to DTC or its nominee, which will remit such payment to the DTC Participants (as defined herein), which in turn will remit such payment to Beneficial Owners (as defined herein) of the Series 2003 Bonds. Beneficial Owners will not receive physical delivery of the Series 2003 Bonds. See "DESCRIPTION OF THE SERIES 2003 BONDS" herein.

The Series 2003 Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturities as set forth herein. See "DESCRIPTION OF THE SERIES 2003 BONDS – Redemption of the Series 2003 Bonds" herein.

The Series 2003 Bonds are being issued to provide funds to: (i) finance all or a portion of the cost of the acquisition, construction and installation of the 2003 Project (as defined herein),

*Preliminary, subject to change.

(ii) fund the Reserve Account Requirement for the Series 2003 Bonds, and (iii) pay the costs of issuance related to the Series 2003 Bonds, including the municipal bond insurance premium.

The Series 2003 Bonds and the interest thereon will be payable solely from and secured by a pledge of and prior lien upon the County's portion of the six-cent local option fuel tax distributed to the County and the municipalities of the County by the Florida Department of revenue from the State of Florida Local Option Fuel 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 Series 2003 Bonds and all moneys, including investments thereof, in the Restricted Revenue Account and the Debt Service Fund (the "Pledged Funds"). The Series 2003 Bonds will be issued on a parity with the County's outstanding Series 2002 Bonds (as defined herein). See "SECURITY FOR THE SERIES 2003 BONDS" herein.

The payment of the principal of and interest on the Series 2003 Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation ("Ambac Assurance") simultaneously with the delivery of the Series 2003 Bonds. See "MUNICIPAL BOND INSURANCE" herein.

[AMBAC LOGO]

THE SERIES 2003 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ARTICLE VII, SECTION 12 OF THE CONSTITUTION OF THE STATE OF FLORIDA (THE "STATE"), BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS. NO OWNER OF ANY SERIES 2003 BONDS OR ANY INSURER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON ANY SUCH SERIES 2003 BOND OR SHALL BE ENTITLED TO PAYMENT OF SUCH SERIES 2003 BONDS FROM ANY MONEYS OF THE COUNTY EXCEPT THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE RESOLUTION.

A DETAILED MATURITY SCHEDULE IS SET FORTH ON THE INSIDE COVER.

This cover page contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2003 Bonds are offered when, as and if issued and received by the Underwriters, 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 the Office of the County Attorney. Nabors, Giblin & Nickerson, P.A., Orlando, Florida is serving as Disclosure Counsel to the County. Public Financial Management, Inc. is serving as Financial Advisor to the County in connection with the issuance of the Series 2003 Bonds. It is expected that the Series 2003 Bonds in definitive form will be available for delivery in New York, New York on or about December 8, 2003.

William R. Hough & Co.

MERCHANT CAPITAL
L.L.C.

Dated: _____, 2003

MATURITY SCHEDULE

\$30,000,000*

ST. JOHNS COUNTY, FLORIDA Transportation Improvement Revenue Bonds Series 2003

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>Initial CUSIP Number[†]</u>
2004	\$	%	%	
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				

\$ _____ % Term Bonds due October 1, ____ - Price or Yield _____ %
\$ _____ % Term Bonds due October 1, ____ - Price or Yield _____ %

(Plus accrued interest from December 1, 2003)

[†] The County is not responsible for the use of the CUSIP numbers referenced herein nor is any representation made by the County as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

ST. JOHNS COUNTY, FLORIDA

MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS

[TO BE UPDATED PRIOR TO POSTING]

James E. Bryant, Chair
Karen R. Stern, Vice-Chair
Marc A. Jacalone
Bruce A. Maguire
Nicholas M. Meiszer

CONSTITUTIONAL OFFICERS

Neil Perry, Sheriff
Cheryl Strickland, Clerk of Circuit Court
Dennis Hollingsworth, Tax Collector
Sharon P. Outland, Property Appraiser
Penny Halyburton, Supervisor of Elections

COUNTY ADMINISTRATOR

Ben W. Adams, Jr.

FINANCE DIRECTOR

Richard A. MacDonald, Jr.

COUNTY ATTORNEY

Daniel J. Bosanko

BOND COUNSEL

Foley & Lardner
Jacksonville, Florida

DISCLOSURE COUNSEL

Nabors, Giblin & Nickerson, P.A.
Orlando, Florida

FINANCIAL ADVISOR

Public Financial Management, Inc.
Orlando, Florida

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COUNTY OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN AS SET FORTH 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 UNDERWRITERS. 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 SERIES 2003 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER, SOLICITATION OR SALE IN SUCH JURISDICTION.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2003 BONDS. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, FORECASTS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED IN THIS OFFICIAL STATEMENT, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS REPRESENTATIONS OF FACTS. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED 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 OR THE EARLIEST DATE AS OF WHICH SUCH INFORMATION IS GIVEN.

THE SERIES 2003 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2003 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2003 BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2003 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF RULE 15C2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

IN CONNECTION WITH THIS OFFERING OF THE SERIES 2003 BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2003 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2003 BONDS TO CERTAIN DEALERS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE AND SUCH PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	2
PURPOSE OF THE SERIES 2003 BONDS	2
THE COUNTY	2
THE 2003 PROJECT	2
ESTIMATED SOURCES AND USES OF FUNDS	2
DEBT SERVICE SCHEDULE	2
DESCRIPTION OF THE SERIES 2003 BONDS	2
General2	
Redemption of the Series 2003 Bonds	2
BOOK-ENTRY ONLY SYSTEM	2
SECURITY FOR THE SERIES 2003 BONDS	2
Source of Payment	2
Six-Cent Local Option Fuel Tax	2
Reserve Account	2
Flow of Funds	2
Additional Bonds	2
Other Covenants	2
MUNICIPAL BOND INSURANCE	2
LEGAL MATTERS	2
LITIGATION	2
TAX MATTERS	2
Federal Tax Matters	2
Florida Tax Matters	2
Original Issue Discount	2
Original Issue Premium	2
RATINGS	2
UNDERWRITING	2
FINANCIAL ADVISOR	2
DISCLOSURE REQUIRED BY SECTION 517.01(1), FLORIDA STATUTES	2
CONTINUING DISCLOSURE	2
ENFORCEABILITY OF REMEDIES	2
MISCELLANEOUS	2
BASIC FINANCIAL STATEMENTS	2
AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT	2
APPENDIX A – GENERAL INFORMATION CONCERNING THE COUNTY	
APPENDIX B – BASIC FINANCIAL STATEMENTS OF THE COUNTY FOR FISCAL YEAR ENDED SEPTEMBER 30, 2002	
APPENDIX C – THE RESOLUTION	
APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE	
APPENDIX E – PROPOSED FORM OF BOND COUNSEL OPINION	
APPENDIX F – FORM OF FINANCIAL GUARANTY INSURANCE POLICY	

OFFICIAL STATEMENT

relating to

\$30,000,000*

ST. JOHNS COUNTY, FLORIDA

Transportation Improvement Revenue Bonds

Series 2003

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices, is to provide information concerning the proposed issuance by St. Johns County, Florida (the "County") of \$30,000,000* aggregate principal amount of the County's Transportation Improvement Revenue Bonds, Series 2003 (the "Series 2003 Bonds"). The Series 2003 Bonds are issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, County Ordinance 86-89 enacted by the Board of County Commissioners of the County (the "Board"), as amended (the "Ordinance"), and other applicable provisions of law and Resolution No. 92-103 of the County duly adopted by the Board on June 23, 1992 (the "Master Resolution"), as supplemented by Resolution No. 2003-[_____] duly adopted by the Board on November 4, 2003 (together with the Master Resolution, the "Resolution"). See "THE RESOLUTION" attached hereto as APPENDIX C.

The Series 2003 Bonds shall be issued on a parity with the County's outstanding Transportation Improvement Revenue Refunding Bonds, Series 2002 currently outstanding in the aggregate principal amount of [\$4,160,000] (the "Series 2002 Bonds"). See "DEBT SERVICE SCHEDULE" herein. The County may issue Additional Bonds payable from the Pledged Funds on parity with the Series 2002 Bonds and the Series 2003 Bonds, provided, however, that such Additional Bonds may be issued only if the County first has complied with certain requirements set out in the Master Resolution. See "SECURITY FOR THE SERIES 2003 BONDS – Additional Bonds" herein.

For a complete description of the terms and conditions of the Series 2003 Bonds, reference is made to the Resolution. See "THE RESOLUTION" attached hereto as APPENDIX C. Capitalized terms used herein and not defined are used as defined in the Resolution. The description of the Series 2003 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.

This Official Statement speaks only as of its date and the information contained herein is subject to change. This Official Statement contains certain information concerning Ambac Assurance and the Financial Guaranty Insurance Policy (as defined herein) with respect to the Series 2003 Bonds, and DTC (as defined herein) and its book-entry system. Such information

*Preliminary, subject to change.

has not been provided by the County and the County does not certify as to the accuracy or sufficiency of the disclosure practices or content of information provided by such parties and is not responsible for the information provided by such parties.

PURPOSE OF THE SERIES 2003 BONDS

The Series 2003 Bonds are being issued to provide funds to: (i) finance all or a portion of the cost of the acquisition, construction and installation of the 2003 Project (as defined herein), (ii) fund the Reserve Account Requirement for the Series 2003 Bonds, and (iii) pay the costs of issuance related to the Series 2003 Bonds, including the municipal bond insurance premium.

THE COUNTY

The County was established in 1821. The City of St. Augustine ("St. Augustine"), which is the County seat, was founded over 400 years ago by Spanish explorers and is the nation's oldest city. The County encompasses approximately 608 square miles and is located in the northeastern region of the State of Florida (the "State") directly south of the City of Jacksonville 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. The 2002 population of the County was 133,953. For further information concerning the County, see "GENERAL INFORMATION CONCERNING THE COUNTY" attached hereto as APPENDIX A.

THE 2003 PROJECT

The "2003 Project" consists of expenditures for various transportation capital projects described in the program areas described in Section 336.025, Florida Statutes, as amended, including: (i) the acquisition and construction of certain road improvements within the County; and (ii) the purchase of wetlands for environmental mitigation purposes pertaining to roadways, stormwater and drainage improvements for roads and road rights of way and repairs to various bridges in the County. Other transportation capital projects may be undertaken in lieu of, or in addition to, the ones set forth above.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2003 Bonds are expected to be applied as described below:

Sources:

Principal Amount of Series 2003 Bonds.....	\$ _____
Original Issue Premium	_____
Original Issue Discount	_____
Accrued Interest	_____
Total Sources	\$ <u>_____</u>

Uses:

Deposit to the Interest Account	\$ _____
Deposit to the Reserve Account	_____
Deposit to the 2003 Project Account	_____
Cost of Issuance ⁽¹⁾	_____
Underwriters' Discount	_____
Total Uses	\$ <u>_____</u>

⁽¹⁾ Includes, among other things, legal, financial and administrative expenses, and the premium for the Financial Guaranty Insurance Policy for the Series 2003 Bonds.

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DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Series 2003 Bonds and the Parity Obligations.

Year Ending (October 1)	Series 2003 Bonds		Parity Obligations	Total
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Debt Service</u>
2004	\$	\$	\$1,111,738	\$
2005			1,106,613	
2006			1,110,988	
2007			1,107,250	
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				

DESCRIPTION OF THE SERIES 2003 BONDS

General

The Series 2003 Bonds shall be dated as set forth on the cover page of this Official Statement and are being issued as fully registered bonds without coupons in denominations of \$5,000 and integral multiples thereof. Interest on the Series 2003 Bonds (first payment due April 1, 2004 and semiannually on each October 1 and April 1 thereafter) will be payable by check or draft of Bank One Trust Company, National Association, as Registrar and Paying Agent, mailed 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 (the "Record Date"). Principal of the Series 2003 Bonds is payable at maturity to the registered owner upon presentation, when due, at the office of the Paying Agent in Columbus, Ohio. While in book-entry only form, such payments will be made only to Cede & Co. See "BOOK-ENTRY ONLY SYSTEM" herein.

Redemption of the Series 2003 Bonds

Optional Redemption. The Series 2003 Bonds maturing on or after [October 1, 20__] may be redeemed prior to their respective maturities, at the option of the County, from any moneys legally available therefore, upon notice as provided in the Resolution, in whole or in part at any time on or after [October 1, 20__], by lot within a maturity, and in such maturities as shall be determined by the County, at the Redemption Prices set forth below, plus accrued interest to the redemption date.

Redemption Periods <u>(Dates Inclusive)</u>	Redemption <u>Prices</u> %
--	--

Mandatory Sinking Fund Redemption. The Series 2003 Term Bonds maturing on [October 1, 20__] are subject to mandatory redemption by the County prior to maturity, by lot, in such manner as the Registrar may deem appropriate, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date fixed for redemption, on [October 1, 20__] and on each October 1 thereafter, in the following Amortization Installments in the years specified.

Year <u>(October 1)</u>	Amortization <u>Installments</u>
--	---

Notice of Redemption. Unless waived by any Holder of Bonds to be redeemed, notice of any redemption shall be given by the Registrar on behalf of the County by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than

60 days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to the Resolution to any Holder of Bonds to be redeemed nor failure to give such notice to any such Holder nor failure of any such Holder to receive such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Bonds to be redeemed. Additional notice shall be given as provided in the Resolution.

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

Payment of Redeemed Bonds. Official notice of redemption having been given substantially as provided in the Resolution, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the County shall default in the payment of or provision for the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus interest accrued to the Redemption Date. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

BOOK-ENTRY ONLY SYSTEM

The information in this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry system has been obtained from DTC and neither the County nor the Underwriters (as defined herein) makes any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC, will act as securities depository for the Series 2003 Bonds. The Series 2003 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2003 Bond certificate will be issued for each maturity of the Series 2003 Bonds as set forth in the inside cover of this Official Statement, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform

Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of Series 2003 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2003 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2003 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2003 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2003 Bonds, except in the event that use of the book-entry system for the Series 2003 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2003 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2003 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2003 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2003 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to

Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2003 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2003 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2003 Bonds may wish to ascertain that the nominee holding the Series 2003 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2003 Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2003 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2003 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2003 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2003 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

In the event that (i) DTC determines to discontinue providing its service with respect to the Series 2003 Bonds by giving written notice to the County and discharging its responsibilities with respect thereto under applicable law, and the County fails to appoint a successor Depository (as defined in the Resolution) for the Series 2003 Bonds, or (ii) the County determines to discontinue the book-entry system through a Depository, then bond certificates are required to be delivered as described in the Series 2003 Bonds.

SECURITY FOR THE SERIES 2003 BONDS

Source of Payment

The Series 2003 Bonds are special obligations of the County secured equally and ratably by a pledge of and prior lien upon the Pledged Funds (as defined herein); provided, however, that a Series of Bonds may be further secured by a Credit Facility or Financial Guaranty 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 fuel tax distributed to the County and the municipalities of the County by the Florida Department of Revenue from the State of Florida Local Option Fuel 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 Series 2003 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.

The Series 2003 Bonds will be issued on a parity with the Series 2002 Bonds and any Additional Bonds issued after the date hereof. See "SECURITY FOR THE SERIES 2003 BONDS – Additional Bonds" below.

THE SERIES 2003 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ARTICLE VII, SECTION 12 OF THE CONSTITUTION OF THE STATE, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS. NO OWNER OF ANY SERIES 2003 BONDS OR ANY INSURER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON ANY SUCH SERIES 2003 BOND OR SHALL BE ENTITLED TO PAYMENT OF SUCH SERIES 2003 BONDS FROM ANY MONEYS OF THE COUNTY EXCEPT THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE RESOLUTION.

Six-Cent Local Option Fuel Tax

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 fuel 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, as amended. Section 336.025, Florida Statutes, now provides for the local option fuel tax to be levied on motor fuel and diesel fuel. In 1985, the State amended Section 336.025, Florida Statutes, to allow counties and eligible municipalities to extend the term of the local option fuel tax to 30 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 fuel 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 fuel tax, in addition to the third, fourth, fifth, and sixth cents of such tax.

According to the Florida Department of Revenue, 65 of Florida's 67 counties have enacted the local option fuel tax. All of the counties contiguous to the County have adopted a local option fuel tax at the rate of six cents per gallon.

The County has imposed the local option fuel tax since September 1, 1986. Pursuant to Ordinance No. 86-61, the County imposed a six-cent tax upon motor fuel and special fuel for a period of 30 years, commencing September 1, 1986. On [November __, 2003], the County enacted Ordinance No. [_____] (the "2003 Ordinance") which reimposes the six-cent fuel tax commencing September 1, 2016 and continuing through and including August 31, 2033. Because Section 336.025(1)(a)1, Florida Statutes provides that the six-cent fuel tax may be reimposed effective the date of its expiration the reimposition will not be effective until September 1, 2016 (the year of expiration of the original six-cent fuel tax).

An Amendment to Interlocal Agreement dated June 10, 1986, as amended (the "Interlocal Agreement") between the County and St. Augustine, representing a majority of the population of the incorporated area of the County, provides for the distribution of the local option fuel tax collected within the County. The Interlocal Agreement became effective as of July 14, 1986. The Interlocal Agreement provides that the division of the local option fuel 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. On [_____, 2003], the County and St. Augustine entered into a supplement to the Interlocal Agreement confirming that the current distribution formula will continue to be in use from August 31, 2016 until the 2003 Ordinance is repealed. Pursuant to the Interlocal Agreement, the current distribution of proceeds of the local option fuel tax, effective July 1, 2002 to July 1, 2007 is as follows:

<u>Local Governmental Unit</u>	<u>Share of Proceeds</u>
City of St. Augustine	10%
City of St. Augustine Beach	4
Town of Hastings	0
St. Johns County	86

The division of the local option fuel tax 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.

Depending on the relative growth of the various governmental units within the County, it is possible that local option fuel 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 the same 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 fuel 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 fuel 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 fuel 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 three percent of such tax for amounts less than \$1,000 and one percent for amounts due in excess of \$1,000, as an allowance for services and expenses in complying with the law. Refunds or exemptions from the payment of motor fuel taxes are allowed for motor fuel used for agricultural or commercial fishing purposes, certain sales to the United States and its agencies and sales to licensed importers for export from the State.

**Historical Sales in the County
(in gallons)**

<u>State Fiscal Year Ended June 30,</u>	<u>Gasoline</u>	<u>Special Fuel</u>	<u>Total</u>
1998	62,299,322	19,643,941	81,943,263
1999	65,948,702	20,334,239	86,282,941
2000	70,351,294	21,028,562	91,379,856
2001	71,090,072	21,171,428	92,261,500
2002	73,808,420	20,690,263	94,498,683
2003	78,502,168	20,258,096	98,760,264

Source: State of Florida, Department of Revenue, Revenue Accounting Section.

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The following is information concerning historical monthly Gas Tax Revenues received by the County since January, 1998.

Historical Monthly Gas Tax Revenues

	Fiscal Year Ended September 30,					
	1998	1999	2000	2001	2002	2003 ⁽¹⁾
October	\$ 338,606	\$ 361,185	\$ 374,418	\$ 359,134	\$ 358,939	\$ 416,295
November	319,543	361,340	348,454	377,372	330,064	394,027
December	320,132	366,759	334,404	361,729	356,986	390,800
January	304,515	319,489	394,928	337,612	348,814	355,810
February	342,174	360,120	378,762	355,556	358,942	429,777
March	274,941	338,445	374,207	340,048	407,884	412,208
April	284,429	298,830	274,102	275,778	352,744	366,969
May	343,047	294,489	398,333	345,473	326,022	380,756
June	291,051	306,467	307,600	327,671	340,589	361,134
July	282,539	311,819	336,294	430,464	344,689	374,995
August	336,124	351,326	396,586	422,798	397,981	450,628
September	321,008	354,161	352,666	320,509	378,990	460,101
TOTAL	<u>\$3,758,109</u>	<u>\$4,024,430</u>	<u>\$4,270,754</u>	<u>\$4,254,144</u>	<u>\$4,302,644</u>	<u>\$4,793,500</u>

⁽¹⁾ Unaudited.

Source: St. Johns County, Florida, Finance Department.

Set forth below is a table reflecting the actual Gas Tax Revenues distributed to the County for the Fiscal Years ended September 30, 1998 through 2003 and the historical debt service coverage expended thereby.

Historical Gas Tax Revenues Distribution and Debt Service Coverage (Fiscal Years Ended September 30, 1998 through 2003)

	1998	1999	2000	2001	2002	2003 ⁽¹⁾
Gas Tax Revenues Distribution	\$3,758,109	\$4,024,430	\$4,270,754	\$4,254,144	\$4,302,643	\$4,793,500
Maximum Annual Debt Service	1,189,299	1,186,130	1,184,775	1,185,005	1,181,940	1,117,071
Estimated Debt Service Coverage	3.16x	3.39x	3.60x	3.59x	3.64x	4.29x

⁽¹⁾ Unaudited.

Source: St. Johns County, Florida, Finance Department.

Set forth below is a table showing actual Gas Tax Revenues distributed to the County for the Fiscal Years ended September 30, 1998 through 2003 and the debt service coverage for each year based upon the projected Maximum Annual Debt Service on the Series 2003 Bonds and the Series 2002 Bonds.

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003⁽¹⁾</u>
Gas Tax Revenues	\$3,758,109	\$4,024,430	\$4,270,754	\$4,254,144	\$4,302,643	\$4,793,500
Debt Service ⁽²⁾	2,475,343	2,475,343	2,475,343	2,475,343	2,475,343	2,475,343
Debt Service Coverage	1.52x	1.63x	1.73x	1.72x	1.74x	1.94x

(1) Unaudited

(2) Projected Maximum Annual Debt Service for the Series 2003 Bonds and Series 2002 Bonds

Source: St. Johns County, Florida, Finance Department.

The Florida Department of Revenue remits the local option fuel 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 diesel fuel sales.

State 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 fuel 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 fuel tax.

Reserve Account

The Master Resolution requires the establishment and maintenance of a Reserve Account in an amount equal to the Reserve Account Requirement for the benefit of the owners of the Bonds. 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 average annual Debt Service Requirement, or (iii) 10% of the proceeds of all outstanding Bonds. The Master Resolution permits the Reserve Account Requirement to be funded by cash or by a surety bond, irrevocable letter of credit, guaranty or insurance policy issued in compliance with the Resolution. Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of or interest or Amortization Installments on the Bonds when the other moneys in the Debt Service Fund are insufficient therefor, and for no other purpose.

Upon the issuance of Additional Bonds, the County is required by the Master Resolution to provide for the additional funding of the Reserve Account in the manner described in the Master Resolution.

Flow of Funds

The County covenanted and agreed in the Resolution to establish with one or more Authorized Depositories separate funds to be known as the "St. Johns County Transportation Improvement Revenue Bonds Revenue Fund," the "St. Johns County Transportation Improvement Revenue Bonds Debt Service Fund" and the "St. Johns County Transportation Improvement Revenue Bonds Rebate Fund." The County shall maintain in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The County shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account," and the "Reserve Account." Moneys in the Restricted Revenue Account and the Debt Service Fund, until applied in accordance with the provisions of the Resolution, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

The County shall deposit the Gas Tax Revenues into the Restricted Revenue Account, promptly upon receipt thereof. On or before the last day of each month, the moneys in the Restricted Revenue Account shall be deposited or credited in the following manner and in the following order of priority:

The County shall deposit into or credit to the Interest Account the sum which, together with the balance in said account, shall equal the interest on all Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of 12 equal calendar months of 30 days each). Moneys in the Interest Account shall be applied by the County to pay interest on the Bonds as and when the same shall become due, whether by redemption or otherwise, and for no other purpose. The County shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest coming due on the Bonds on such Interest Date.

Next, the County shall deposit into or credit to the Principal Account the sum which, together with the balance in said account, shall equal (i) the principal amount of all Outstanding Bonds other than Term Bonds due and unpaid, (ii) that portion of the principal amount of the Bonds other than Term Bonds next due which would have accrued on such Bonds next due during the then current calendar month if such principal amount thereof were deemed to accrue monthly (assuming that a year consists of 12 equal calendar months of 30 days each) in equal installments from a date one year preceding the due date of such Bonds next due and (iii) the portion of the principal amount of the Bonds next due which shall have accrued on such basis in prior months. Not later than the month immediately preceding any principal payment date, the County shall adjust the amount of the deposit into the Principal Account so as to provide sufficient moneys in the Principal Account to pay the principal on the Bonds other than Term Bonds becoming due on such principal payment date. Moneys in the Principal Account shall be

applied by the County to pay the principal of the Bonds other than Term Bonds as and when the same shall become due, whether at maturity or otherwise, and for no other purpose.

Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account. Commencing in the month which is one year prior to the due date of each Amortization Installment, the County shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said account held for the credit of such Amortization Installment and all Outstanding Term Bonds due and unpaid, shall equal (i) the principal amount of all such Outstanding Term Bonds due and unpaid, (ii) that portion of such Amortization Installment which would have accrued during the then current calendar month if such Amortization Installment were deemed to accrue monthly (assuming that a year consists of 12 equal calendar months of 30 days each) in equal amounts from a date one year preceding such due date and (iii) the portion of such Amortization Installment which shall have accrued on such basis in prior months. The County shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay such Amortization Installment on such date. Moneys in the Bond Amortization Account shall be applied by the County to purchase Term Bonds in the manner provided in the Resolution, and for no other purpose.

Next, the County shall deposit into or credit to the Reserve Account such sum, if any, as will be necessary to immediately restore the funds on deposit therein to an amount equal to the Reserve Account Requirement including the reinstatement of any Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit therein or the cash replacement thereof. On or prior to each principal and interest payment date for the Bonds, moneys in the Reserve Account shall be applied by the County to the payment of the principal of and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit therein of a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit, such surplus moneys shall be deposited by the County into the Principal Account, or such other appropriate fund or account of the County, provided such deposit to such other fund or account will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Upon the issuance of any Series of Bonds, under the terms, limitations and conditions as provided in the Resolution, the County shall provide for the funding of the Reserve Account in an amount equal to the Reserve Account Requirement. Such required amount may be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments from the Revenue Fund, on a parity with the payments required by the first sentence of the preceding paragraph, to the Reserve Account over a period of months from the date of issuance of such Series of Bonds, which shall not exceed the greater of (i) 24 months, or (ii) the number of months for which interest on such Series of Bonds has been capitalized, as determined by Supplemental Resolution.

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

The balance of any moneys remaining in the Restricted Revenue Account after the deposits required under the Master Resolution may be transferred, at the discretion of the County, to the Unrestricted Revenue Account or to any other appropriate fund or account of the County and used by the County for any lawful purpose.

Moneys on deposit in the Restricted Revenue Account and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed. Moneys on deposit in the Reserve Account may be invested or reinvested in Authorized Investments which shall mature no later than five years from the date of acquisition thereof. Any and all income received by the County from the investment of moneys in the Restricted Revenue Account in the Revenue Fund and the Interest Account, Principal Account, Bond Amortization Account and Reserve Account (to the extent the amount therein is less than the Reserve Account Requirement) in the Debt Service Fund shall be retained in such respective fund or account unless otherwise required by applicable law.

Additional Bonds

The County may issue Additional Bonds payable from the Pledged Funds on a parity with the Series 2003 Bonds and the Series 2002 Bonds then outstanding pursuant to the Resolution for the purposes specified and upon satisfaction of the requirements set forth in the Master Resolution including the following:

The County shall certify that it is current in all deposits to the various funds and accounts established in the Resolution, and all payments theretofore required to have been deposited or made by it under the provisions of the Master Resolution, and is in compliance with the covenants and agreements of the Resolution.

There shall have been obtained and filed with the County a certificate of an independent certified public accountant: (i) stating that he has examined the books and records of the County relating to the collection and receipt of the Gas Tax Revenues; (ii) setting forth the amount of the Gas Tax Revenues for the immediately preceding Fiscal Year or any 12 consecutive months within the 18 months immediately preceding the issuance of such Additional Bonds; (iii) stating that the Gas Tax Revenues equal the sum of at least (a) 1.35 times the Maximum Debt Service Requirement of all Outstanding Bonds and such Additional Bonds then proposed to be issued, and (b) 1.00 times maximum annual debt service for all Subordinated Indebtedness then outstanding (such maximum annual debt service computed in a manner substantially similar to the manner in which the Maximum Debt Service Requirement is computed); and (iv) stating that no Event of Default was disclosed in the report of the most recent Annual Audit, or if such Event of Default was so disclosed, that it shall have been cured.

In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of the preceding paragraph shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of principal of and interest on the Outstanding Bonds becoming due in the current Fiscal Year and all subsequent Fiscal Years. The conditions of the preceding paragraph shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

Other Covenants

The County has covenanted in the Master 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 has also covenanted in the Master Resolution 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 successor provision of law. The County will at all times comply with all of the requirements and conditions of Chapter 218, Parts II and VI, Florida Statutes, as amended, and take every necessary action to remain qualified to receive distribution of the Gas Tax Revenues; and the County will not take any action which will jeopardize its eligibility for receipt of such funds which may adversely effect its undertakings as provided in the Resolution. The County will take all actions legally available to the County to increase or maximize its entitlement to the Gas Tax Revenues under the Interlocal Agreement. Other than as set forth in the provisions of the Interlocal Agreement, the County will not take any action or enter into any agreement that shall 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

The following information has been provided by Ambac Assurance Corporation ("Ambac Assurance") for use in this Official Statement. See "APPENDIX E – SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY" attached hereto.

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") relating to the Series 2003 Bonds effective as of the date of issuance of the Series 2003 Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Series 2003 Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by

the County (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Paying Agent. The insurance will extend for the term of the Series 2003 Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Series 2003 Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2003 Bonds, Ambac Assurance will remain obligated to pay principal of and interest on outstanding Series 2003 Bonds the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Series 2003 Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Paying Agent has notice that any payment of principal of or interest on a Series 2003 Bond which has become Due for Payment and which is made to a Holder by or on behalf of the County has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Financial Guaranty Insurance Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.
2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of Series 2003 Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2003 Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the Series 2003 Bonds, appurtenant coupon, if any, or right to payment of principal or interest on such Series 2003 Bonds and will be fully subrogated to the surrendering Holder's rights to payment.

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the Florida Insurance Guaranty Association.

Ambac Assurance Corporation

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately \$6,789,000,000 (unaudited) and statutory capital of \$4,043,000,000 (unaudited) as of June 30, 2003. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch, Inc. have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its Financial Guaranty Insurance Policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the County on the Series 2003 Bonds.

Ambac Assurance makes no representation regarding the Series 2003 Bonds or the advisability of investing in the Series 2003 Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading "MUNICIPAL BOND INSURANCE".

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York, 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

- 1) The Company's Current Report on Form 8-K dated January 23, 2003 and filed on January 24, 2003;
- 2) The Company's Current Report on Form 8-K dated February 25, 2003 and filed on February 28, 2003;
- 3) The Company's Current Report on Form 8-K dated February 25, 2003 and filed on March 4, 2003;
- 4) The Company's Current Report on Form 8-K dated March 18, 2003 and filed on March 20, 2003;
- 5) The Company's Current Report on Form 8-K dated March 19, 2003 and filed on March 26, 2003;
- 6) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and filed on March 28, 2003;
- 7) The Company's Current Report on Form 8-K dated March 25, 2003 and filed on March 31, 2003;
- 8) The Company's Current Report on Form 8-K dated April 17, 2003 and filed on April 21, 2003;
- 9) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2003 and filed on May 15, 2003;
- 10) The Company's Current Report on Form 8-K dated July 17, 2003 and filed on July 18, 2003; and
- 11) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2003 and filed on August 14, 2003.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "MUNICIPAL BOND INSURANCE - Available Information".

LEGAL MATTERS

Certain legal matters in connection with the authorization, issuance and sale of the Series 2003 Bonds are subject to the approval of Foley & Lardner, Jacksonville, Florida, Bond Counsel, the proposed form of whose approving opinion is attached hereto as APPENDIX E.

LITIGATION

There is no pending or, to the knowledge of the County, any threatened litigation against the County of any nature whatsoever which in any way questions or affects the validity of the Series 2003 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the adoption of the Resolution, or the pledge of the Pledged Funds. Neither the creation, organization or existence, nor the title of the present members of the Board, or other officers of the County is being contested.

The County experiences routine litigation and claims incidental to the conduct of its affairs. In the opinion of the Office of the County Attorney, there are no actions presently pending or threatened, which would materially adversely impact the County's ability to receive the Pledged Funds.

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 Series 2003 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 Series 2003 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 Series 2003 Bonds to be included in gross income retroactive to the date of issuance of the Series 2003 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 Series 2003 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 E 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 financed and refinanced with the proceeds of the Series 2003 Bonds and the application of the proceeds of the Series 2003 Bonds.

The Code contains numerous provisions which could affect the economic value of the Series 2003 Bonds to certain owners of the Series 2003 Bonds. The following is a brief summary of some of the significant provisions that may be applicable to particular owners of the Series 2003 Bonds. Prospective owners of the Series 2003 Bonds, however, should consult their own tax advisors with respect to the impact of such provision on their own tax situations.

The Series 2003 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 Series 2003 Bonds or, in the case of banks and certain other financial institutions, interest expense allocable to interest on the Series 2003 Bonds, will not be deductible for federal income tax purposes.

Insurance companies (other than life insurance companies) are required 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 Series 2003 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 Series 2003 Bonds.

Interest on the Series 2003 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 such corporations are required to include in their calculation of alternative minimum taxable income 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).

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 Series 2003 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 Series 2003 Bonds, may be included in the determination of such domestic branches' taxable base on which this tax is imposed.

From time to time, legislative proposals are pending in Congress that if enacted would alter or amend one or more of the federal tax matters referred to above in certain respects or would adversely affect the market value of the Series 2003 Bonds. It cannot be predicted whether or in what form any such proposals, either pending or that could be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Series 2003 Bonds.

Florida Tax Matters

It is also the opinion of Bond Counsel that, under existing law, the Series 2003 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 in Chapter 220, Florida Statutes, as amended.

Original Issue Discount

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of the Series 2003 Bonds maturing in _____ (the "Discount Bonds"), is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Discount Bond 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 a Discount Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount 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 Discount Bond during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period), less (iii) any interest payable on such Discount 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 Discount Bond. The adjusted tax basis in a Discount Bond will be used to determine taxable gain or loss upon a disposition (e.g., sale, exchange, redemption, or payment at maturity) of such Discount Bond.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued original issue discount, the amount of original issue discount that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of such Discount Bond.

As described above regarding tax-exempt interest, a portion of the original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. In the case of a corporation, such portion of the original issue discount will be included in the calculation of the corporation's alternative minimum tax liability and the branch profits tax liability. Corporate owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability or a branch profits tax liability although the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

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

Owners of such Discount Bonds should consult their own tax advisors with respect to state and local tax consequences of the Discount Bonds. It is possible that under the applicable provisions governing the determination of state and local income taxes, accrued original issue discount on Discount 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.

Original Issue Premium

Each of the Series 2003 Bonds maturing in _____, _____, _____ and _____ (the "Premium Bonds") has an issue price that is greater than the amount payable at maturity of such Premium Bonds. Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (e.g., upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at an issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of the Premium Bonds.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's, a division of the McGraw-Hill Companies, Inc. ("S&P") are expected to issue their ratings of "Aaa" and "AAA," respectively, to the Series 2003 Bonds with the understanding that upon delivery of the Series 2003 Bonds, the Financial Guaranty Insurance Policy will be issued by Ambac Assurance. The County has also applied to Moody's and S&P for ratings without giving effect to the Financial Guaranty Insurance Policy. Moody's and S&P have assigned underlying ratings of "_____" and "_____" respectively, to the Series 2003 Bonds. The underlying ratings are based on the capacity of the County to pay debt service on the Series 2003 Bonds without giving effect to the Financial Guaranty Insurance Policy to be issued by Ambac Assurance.

Such ratings express only the views of Moody's and S&P. An explanation of the significance of such ratings may be obtained only from the rating agency furnishing the same. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised upward or downward or withdrawn entirely by such rating agency if, in the

judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of any ratings may have an adverse effect on the market price of the Series 2003 Bonds.

UNDERWRITING

The Series 2003 Bonds are being purchased by William R. Hough & Co. and Merchant Capital LLC (collectively, the "Underwriters"), subject to certain terms and conditions, including the approval of certain legal matters by Bond Counsel.

The Underwriters have agreed to purchase the Series 2003 Bonds at a purchase price of \$_____ (representing the principal amount of \$_____, less an underwriters' discount of \$_____, less an original issue discount of \$_____ and plus an original issue premium of \$_____), plus accrued interest. The Series 2003 Bonds are offered for sale to the public at the prices or yields set forth on the cover page of this Official Statement. The Series 2003 Bonds may be offered and sold to certain dealers at prices lower than such offering prices and such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

FINANCIAL ADVISOR

The County has retained Public Financial Management, Inc., Orlando, Florida, as Financial Advisor in connection with preparation of the County's plan of financing and with respect to the authorization and issuance of the Series 2003 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.

DISCLOSURE REQUIRED BY SECTION 517.01(1), FLORIDA STATUTES

Section 517.051, Florida Statutes and the regulations promulgated thereunder require that the County make full and fair disclosure of any of its bonds or other debt obligations of such entities that have been in default as to payment of principal or interest at any time after December 31, 1975. The County has not been, since December 31, 1975, in default as to payment of principal or interest on any of its bonds or other debt obligations.

CONTINUING DISCLOSURE

The County has covenanted, for the benefit of the Holders of the Series 2003 Bonds, in a Continuing Disclosure Certificate dated as of December 1, 2003 (the "Continuing Disclosure Certificate"), to provide certain financial information and operating data relating to the County (the "Annual Financial Information"), commencing with the report for the Fiscal Year ending 2003, and to provide notices of the occurrence of certain enumerated material events. The Annual Financial Information will be filed by the County with each nationally recognized municipal securities information repository ("NRMSIRs") and with the appropriate state information depository, if any (the "SID"), that is subsequently established by the State and designated as such, when and if it occurs. The notices of material events must be filed by the County with the NRMSIRs, the Municipal Securities Rulemaking Board and the SID. The specific nature of the information to be contained in the Annual Financial Information, the notices of material events, and other details of the undertakings are described in the form of Continuing Disclosure Certificate attached hereto as APPENDIX D. The Continuing Disclosure Certificate will be executed by the County prior to the delivery of the Series 2003 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

The County has not failed to comply with any prior agreements to provide continuing disclosure information pursuant to the Rule.

ENFORCEABILITY OF REMEDIES

The remedies available to the Holders of the Series 2003 Bonds upon an event of default under the Resolution, as applicable, are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Resolution, as applicable, and the Series 2003 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2003 Bonds (including Bond Counsel's approving opinion) are qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

MISCELLANEOUS

This Official Statement includes descriptions of the terms of the Series 2003 Bonds and summaries of certain provisions of the Resolution. Such descriptions do not purport to be complete and all such descriptions and references thereto are qualified in their entirety by references to each such document. The appendices appended to this Official Statement are integral parts thereof and should be read together with all other parts of this Official Statement.

Any statements made in this Official Statement involving matters of opinion or of estimates or forecasts, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or forecasts will be realized.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements of St. Johns County, Florida, for the Fiscal Year ended September 30, 2002, attached hereto as APPENDIX B, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report therein.

AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the Board. Concurrently with the delivery of the Series 2003 Bonds, the undersigned or the then Chair or Vice-Chair of the Board will furnish his or her certificate to the effect that to the best of his or her knowledge, this Official Statement did not as of its date and does not as of the date of the delivery of the Series 2003 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

By: _____
_____, Chair

APPENDIX A

GENERAL INFORMATION CONCERNING THE COUNTY

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 608 square miles and is located in the northeast region of the State of Florida. The County is located directly south of Duval County, Florida, and 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 three incorporated municipalities located in the County: St. Augustine, Hastings 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. A small portion of the municipality of Marineland (primarily located in Flagler County) on which no improvements are located, is also a part of the County.

Government

The Board of County Commissioners of St. Johns County is organized under Article VIII of the Constitution of the State of Florida which empowers the creation of counties as a political subdivision of the state. St. Johns County is a nonchartered county and has the power of self government as provided by general and special law through county ordinances. Under the Constitution of the State of Florida, the offices of Clerk of Court, Property Appraiser, Sheriff, Tax Collector and Supervisor of Elections are specifically authorized and empowered to provide their functional services independently of the Board. The Board of County Commissioners of the County enacted an ordinance which established the office of the County Administrator, who serves as the Chief Administrative Officer of the County and is responsible for the administration of County departments, services and agencies as authorized by the Board of County Commissioners. The County School Board is a separately organized taxing entity not under the jurisdiction of the Board of County Commissioners and has specific legislative authority granted by the Constitution. The Board of County Commissioners is a five member body with its members elected countywide. The Board serves as the taxing authority for certain entities authorized by the Constitution of the State of Florida including the constitutional officers and special taxing districts that are authorized under legislation and approved by the Board of County Commissioners. Certain dependent county taxing districts also come under the purview of the Board's taxing limitations. The current general taxing limitation for the Board of County Commissioners is ten mills plus an additional ten mills in municipal service taxing or benefit units in unincorporated areas of the County, as authorized by the Legislature. A mill generates one dollar of tax for every one thousand dollars of taxable value.

Population

St. Johns County currently ranks 29th out of Florida's 67 counties in total gross population and ranks 7th statewide in the percentage change in population growth from 1990 to 2002.

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

<u>Year</u>	<u>Population</u>
1980	51,303
1990	83,829
2000	123,135
2002	133,953

Source: University of Florida Bureau of Economic and Business Research.

Commerce and Industry

A combination of historical significance, favorable climate, and available recreational facilities including public beaches, golf courses, tennis courts, and cultural events has made the County a national and international tourist destination attracting more than a million visitors annually.

The County is home to a number of state, national and international business and sports organizations all contributing to a stable economy. Among those headquartered in the County are the PGA Tour, Inc., Association of Tennis Professionals, Flagler College, Florida School for the Deaf and Blind, Florida National Guard, and Florida East Coast Railway. The World Golf Village, located in the northwestern part of the County, is the home of the world Golf Hall of Fame, World Golf Village Resort Hotel, and the St. Johns County Convention Center.

While tourism ranks highly in the economy, manufacturing and commercial activities, including food processing, airplane modification and repair, book binding, aluminum extrusion and commercial fishing play key roles.

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 2002 provided the County with on-farm revenue in excess of \$88.95 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 estimated values for 2002 are as follows:

Potatoes	\$28,000,000
Cabbage	9,000,000
Forest Products	900,000
Ornamental Horticulture	50,000,000
Corn, Corn Silage & Hay	200,000
Livestock, Dairying & Poultry	750,000
Equine	100,000
Total	<u>\$88,950,000</u>

Source: Florida Department of Agriculture St. Johns County Extension Service, as of October 13, 2003.

Employment

The following table shows the average monthly employment for St. Johns County by category for calendar year ended 2002.

<u>Distribution</u>	<u>Number of Employees</u>	<u>Percentage of Total</u>
Manufacturing	3,498	8.66%
Construction	2,540	6.28
Transportation, Communications, & Utilities	855	2.12
Wholesale Trade	1,457	3.61
Retail Trade	10,512	26.01
Finance, Insurance and Real Estate	1,712	4.24
Services	12,637	31.26
Government	6,191	15.32
Agriculture (Except Domestic,	984	2.43
Self-Employed, Unpaid Family Workers and Seasonal Workers)		
Mining	0	0.00
Nonclassifiable	28	.07
TOTAL	40,414	100.00%

Source: State of Florida, Department of Labor and Employment Security.

Major Employers

The following table shows some of the major employers in St. Johns County and their approximate level of employment in 2002.

<u>Establishment</u>	<u>Product</u>	<u>Approximate Employment</u>
St. Johns County School Board	Education	2,500
St. Johns County	County Government	1,500
Flagler Hospital	Health Care	1,400
Northrup Grumman	Aircraft Overhaul and Modification	1,075
Florida School for the Deaf and Blind	Educational Institution	730
Hyrdo Aluminum	Aluminum Fabrication	542
Tree of Life, Inc.	Health Food Distributor	385
National Guard	Florida National Guard Headquarters	355
Luhrs Corporation	Pleasure Crafts/Sport Fishing Boats	350
Ideal/Stant	Automobile Parts Manufacturer	224
Tensolite	High-Tech Wire Manufacturers	220

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 1A, serve the County. Bus transportation is provided to St. Augustine by Greyhound with 5 northbound and 11 southbound buses each day.

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

Waterways: The Mantanzas Bay 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 110 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. There is also the University of St. Augustine for Health Sciences. Programs offered are physical therapy and occupational therapy.

Education

The public school system is operated by the St. Johns County School Board. There are fifteen elementary schools, six middle schools, four high schools, three alternative centers, a bi-county Vocational and Technical Center, St. Johns River Community College, and Flagler College, which is a four-year liberal arts institution in which more than 1,300 students are enrolled. The State operates the Florida School for the Deaf and Blind in St. Augustine, with primary school through senior high school levels.

Source: St. Johns County School District - October 20, 2003

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**St. Johns County, Florida
Civilian Labor Force
(unadjusted)**

<u>Fiscal Year</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>	<u>State Unemployment Rate</u>
1992/93	43,215	2,863	6.6	7.0
1993/94	44,701	2,783	6.2	6.6
1994/95	45,552	2,140	4.7	5.8
1995/96	51,750	1,552	3.0	5.1
1996/97	54,094	1,567	2.9	4.2
1997/98	56,374	1,549	2.7	4.5
1998/99	60,124	1,563	2.6	4.0
1999/00	61,865	1,624	2.6	3.7
2000/01	66,325	2,143	3.2	4.6
2001/02	63,496	2,277	3.6	5.3

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

**St. Johns County, Florida
Assessed and Estimated Actual Value of Property Valuations**

<u>Fiscal Year</u>	<u>Taxable Value Real Property</u>	<u>Taxable Value Personal Property</u>	<u>Taxable Value Centrally Assessed</u>	<u>Total Taxable Valuations</u>
1992/93	3,504,853,905	300,136,448	8,979,760	3,813,970,113
1993/94	3,746,646,651	301,885,084	9,448,364	4,057,980,099
1994/95	4,000,055,855	317,459,944	12,768,651	4,330,284,450
1995/96	4,336,130,636	338,279,655	12,176,831	4,686,587,122
1996/97	4,597,639,793	353,147,333	11,966,300	4,962,753,426
1997/98	5,151,257,542	380,758,444	15,038,418	5,547,054,404
1998/99	5,755,043,340	459,394,987	14,988,390	6,229,426,717
1999/00	6,614,044,633	539,554,576	15,702,372	7,169,301,581
2000/01	7,563,588,131	588,493,446	17,115,611	8,169,197,188
2001/02	8,934,963,574	629,849,926	17,326,818	9,582,140,318

Source: St. Johns County Property Appraiser

St. Johns County, Florida
Property Tax Levies and Collections

Tax Fiscal Year	Property Taxes Levied	Current Tax Collections¹	Delinquent Tax Collections	Total Tax Collection	% of Levy Collected²
1992/93	27,424,618	25,511,092	92,283	25,603,375	93.36%
1993/94	30,073,155	28,944,275	254,752	29,199,027	97.09%
1994/95	30,857,851	29,763,755	103,244	29,866,999	96.79%
1995/96	32,514,425	32,340,780	99,229	32,440,009	99.77%
1996/97	34,897,004	33,522,098	240,926	33,763,024	96.75%
1997/98	39,162,186	37,767,161	195,502	37,962,663	96.94%
1998/99	43,705,566	42,021,349	78,550	42,099,899	96.33%
1999/00	49,538,943	47,928,518	34,256	47,962,774	96.82%
2000/01	55,872,261	53,891,302	138,271	54,029,573	96.70%
2001/02	63,850,249	63,123,231	197,727	63,320,958	99.17%

¹ Aggregate amount of tax collections as of close-out of fiscal year ended 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.
Source: State of Florida, Department of Revenue, Florida Ad Valorem Valuations and Tax Data.

**St. Johns County, Florida
Net Debt Statement
as of September 30, 2002**

<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	\$1,475,000		
Refunding Bonds, Series 1994			
Water and Sewer Revenue Bonds, Series 1989			\$ 5,265,000
Water and Sewer Revenue Bonds, Series 1991A			13,892,025
Water and Sewer Revenue Refunding Bonds, Series 1998			1,990,000
Water and Sewer Revenue and Refunding Bonds, Series 1996			15,470,000
Water and Sewer Revenue Refunding Bonds, Series 1994A			9,485,000
Water and Sewer Revenue Refunding Bonds, Series 1999B			3,550,000
State Revolving Loan Fund Agreement			1,480,419
Taxable Convention Center Revenue Bonds, Series 1996			16,525,000
Sales Tax Revenue Refunding Bonds, Series 1998		\$10,655,000	
Sales Tax Revenue and Refunding Bonds, Series 1994		7,275,000	
Capital Improvement Revenue Bonds, Series 1998		2,305,000	
Transportation Improvement Revenue Refunding Bonds, Series 1992		5,075,000	
\$10M Commercial Paper Program		<u>3,555,000</u>	
Total Direct Debt	<u>\$1,475,000</u>	<u>\$28,865,000</u>	<u>\$67,657,444</u>

<u>Indirect Debt</u>	<u>General Obligation Bonds</u>	<u>Non-Self Supporting Revenue Bonds</u>	<u>Self Supporting Revenue Bonds</u>
City of St. Augustine, Florida			
Water and Sewer Revenue			\$13,330,000
Refunding Bonds, Series 1995(A)			
Water and Sewer Revenue			430,000
Refunding Bonds, Series 1995(B)			
Water and Sewer Revenue			5,070,000
Refunding Bonds, Series 1996			
Water and Sewer Revenue Bonds,			4,240,000
Series 1999			
Public Service Tax and		\$ 1,970,000	
Guaranteed Entitlement Revenue			
Refunding Bonds, Series 1995			
Public Service Tax and		13,480,000	
Guaranteed Entitlement Revenue			
Refunding Bonds, Series 2001			
Town of Hastings, Florida			
Water and Sewer Bonds			1,007,400
Hastings Library Construction Note			177,719
School District of St Johns			
County, Florida			
General Obligation Refunding Bonds,	\$26,960,000		
Series 1993			
Certificates of Participation, Series		12,080,000	
1993			
\$5.425M Revenue Note, Series 2000A		<u>4,407,662</u>	
Total Indirect Debt	<u>\$26,960,000</u>	<u>\$31,937,662</u>	<u>\$24,255,119</u>
Total Direct and	<u>\$28,435,000</u>	<u>\$60,802,662</u>	<u>\$91,912,563</u>
Indirect Debt			

DEBT RATIOS

Direct General Obligation Debt	\$ 1,475,000
Per Capita	\$11.01
As a Percent of Taxable Assessed Valuation	0.02%
As a Percent of Total Assessed Valuation	0.01 %
Direct General Obligation and Non-Self Supporting Revenue Debt	\$ 30,340,000
Per Capita	\$226.50
As a Percent of Taxable Assessed Valuation	0.32%
As a Percent of Total Assessed Valuation	0.23%
2002 St. Johns County Population Estimate	133,953
FY 2001 Taxable Assessed Valuation for St. Johns County	\$9,582,140,318
FY 2001 Total Assessed Valuation for St. Johns County	\$13,343,150,463

Police and Fire Protection

St. Johns County is served by the Sheriffs Office, which has approximately 480 full- and part-time employees including deputies, the detective division, communications, jail and administrative personnel. There are eighteen fire stations operating within the County, served by a force of 110 professional firefighters/paramedics and a significant volunteer auxiliary. The County operates a special rescue unit manned by trained emergency medical technicians.

APPENDIX B

**BASIC FINANCIAL STATEMENTS OF
THE COUNTY FOR FISCAL YEAR ENDED SEPTEMBER 30, 2002**

APPENDIX C

THE RESOLUTION

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This **CONTINUING DISCLOSURE CERTIFICATE** (this "Disclosure Certificate") is executed and delivered as of December __, 2003 by **ST. JOHNS COUNTY, FLORIDA** (the "County"), in connection with the sale of the County's Transportation Improvement Revenue Bonds, Series 2003 (the "Series 2003 Bonds") in the aggregate principal amount of \$30,000,000 to be issued pursuant to and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, County Ordinance 86-89 enacted by the Board of County Commissioners of the County (the "Board"), as amended (the "Ordinance") and other applicable provisions of law and Resolution No. 92-103 of the County duly adopted by the Board on June 23, 1992 (the "Master Resolution"), as supplemented by Resolution No. 2003-_____ duly adopted by the Board on November 4, 2003 (together with the Master Resolution, the "Resolution")

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of owners and Beneficial Owners of the Series 2003 Bonds. The financial information and operating data forming the basis of the annual reporting requirements of Section 3 and 4 of this Disclosure Certificate are derived from the Official Statement (as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms used in this Disclosure Certificate have the following meanings:

"Annual Financial Information" shall mean the information with respect to the County described in Section 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any individual beneficial owner of the Series 2003 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Dissemination Agent" shall mean the County or any Dissemination Agent designated by the County pursuant to Section 7 hereof.

"Fiscal Year" shall mean the fiscal year of the County, which currently is the twelve month period beginning October 1 and ending on September 30 of the following year.

"GAAP" shall mean generally accepted accounting principles promulgated by the Governmental Accounting Standards Board as in effect from time to time in the United States.

"Listed Events" shall mean any of the events listed in Section 5(a) hereof.

"MSRB" shall mean the Municipal Securities Rulemaking Board, 1150 18th Street, N.W., Suite 400, Washington, DC 20036-2491.

"National Repository" shall mean any of the names and addresses of each National Repository and State Repository as of any date may currently be obtained by calling the SEC's Fax on Demand Service at 202/942-8088 and requesting document numbers 0206 and 0207, respectively, or by visiting the SEC's web site at "www.sec.gov/info/municipal/nrmsir.htm."

"Obligated Person" shall mean the County and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2003 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The County confirms that currently it is the only Obligated Person.

"Official Statement" shall mean the Official Statement of the County, dated November __, 2003, delivered in connection with the offering of the Series 2003 Bonds and any amendment or supplement thereto.

"Repository" shall mean each National Repository and each State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as such rule may be amended from time to time and any successor provisions thereto.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the State of Florida.

"State Repository" or **"SID"** shall mean any public or private repository or entity designated by the State as a state information depository for the purposes of the Rule and recognized as such by the SEC. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Financial Information Except as otherwise provided herein, the County shall, or shall cause the Dissemination Agent to, provide each Repository with the Annual Financial Information for each Fiscal Year ending on or after September 30, 2003, not later than the following June 1. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may include by cross-reference other information as provided in Section 4 hereof; provided however, that, if the financial statements of the County are audited, then such audited financial statements must be submitted, but they may be submitted separately from the balance of the Annual Financial

Information and later than the date required above for the filing of the Annual Financial Information if they are not available by such date. If the Fiscal Year changes, the County shall give written notice of such change in the same manner as for a Listed Event in Section 5(c) hereof. If the financial statements of the County specified in the manner described hereof are not available by the time the Annual Financial Information must be provided, unaudited Financial Statements of the County shall be provided by the County as part of the Annual Financial Information and such audited financial statements of the County, when and if available, will be provided by the County to each Repository immediately upon such audited financial statements becoming available.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues with respect to which the County is an "obligated person", which have been filed with each Repository or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so included by reference.

The requirements of this Section do not necessitate the preparation of any separate annual report addressing only the Series 2003 Bonds. These requirements may be met by the filing of a combined bond report or the County's Comprehensive Annual Financial Report; provided, such report includes all of the information required by this Disclosure Certificate to be provided and is available by June 1.

Section 4. Content of Annual Financial Information The Annual Financial Information of the County shall consist of or cross reference the following:

(a) Basic financial statements and required supplementary information for the County prepared in accordance with GAAP.

(b) Annual, updated historical financial information, operating data and Gas Tax Revenues collection data for the County of the type included in the Official Statement, including but not limited to, the information contained in tables titled "Historical Sales in the County," "Historical Monthly Gas Tax Revenues" and "Historical Gas Tax Revenues Distribution and Debt Service Coverage."

If the County has not filed the Annual Financial Information when due, then the County or the Dissemination Agent, on behalf of the County, shall file a notice with each Repository as required by the Rule.

Section 5. Reporting of Significant Events.

(a) The County shall give, or cause to be given, on behalf of the County and in a timely manner, notice of the occurrence of any of the following events with respect to the Series 2003 Bonds, if material, to each National Repository or the MSRB and to the SID, if any:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on any debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on any credit enhancements reflecting financial difficulties;
- (v) Substitutions of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events adversely affecting the tax-exempt status of the Series 2003 Bonds;
- (vii) Modifications to rights of holders of the Series 2003 Bonds;
- (viii) Calls (excluding calls for sinking fund mandatory redemptions) on the Series 2003 Bonds;
- (ix) Defeasances of the Series 2003 Bonds;
- (x) Release, substitution or sale of property securing repayment of the Series 2003 Bonds;
- (xi) Rating changes; and
- (xii) Notice of any failure on the part of the County or any other Obligated Person to meet the requirements of this Section 5.

(b) Whenever the County obtains actual knowledge of the occurrence of a Listed Event, the County shall determine promptly if such event would be material to holders of the Series 2003 Bonds or any series thereof, under applicable federal securities laws.

(c) If the County has determined that knowledge of the occurrence of a Listed Event would be material to holders of the Series 2003 Bonds or any series thereof, under

applicable federal securities laws, the County shall timely give or cause to be given a notice of such occurrence (as required by Section 5(a) hereof) to each National Repository or the MSRB and to the SID, if any, provided, that any event under Section 5(a)(iii), (iv), (v), (vi) or (xi) above will always be deemed to be material.

(d) Each notice given pursuant to this Section 5 shall be captioned "Material Event Notice" and shall prominently state the date, title and CUSIP numbers of the affected Series 2003 Bonds.

Section 6. Termination of Reporting Obligation

(a) The obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2003 Bonds.

(b) If in the opinion of nationally recognized bond counsel satisfactory to the County, the Rule shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and if and to the extent in the opinion of nationally recognized bond counsel satisfactory to the County, the Rule, or any provisions thereof, shall be declared by a federal court of competent and final, non-appealable jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Series 2003 Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder.

(c) If a termination or cessation described in either Section 6(a) or (b) hereof occurs prior to the final maturity of the Series 2003 Bonds, the County shall give or cause to be given notice of such event in the same manner as for a Listed Event under Section 5(c) hereof.

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may unilaterally amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3, 4, 5 or 10 hereof, it may only be made in connection with a change in circumstances that arises from a change in applicable legal requirements, change in law, any subsequent change in

or applicable and binding interpretation of the Rule, or change in the identity, nature or status of the County or any other Obligated Person or the type of business conducted;

(b) this Disclosure Certificate, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2003 Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver does not materially impair the interests of the owners or Beneficial Owners of the Series 2003 Bonds, as determined either by parties unaffiliated with the County or any other Obligated Persons (i.e., nationally recognized bond counsel satisfactory to the County).

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the County shall describe such amendment in the next Annual Financial Information relating to the County, and shall include a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided by or in respect of the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c) hereof, and (ii) the Annual Financial Information relating to the County for the year in which the change is made shall present a comparison (in narrative form and also, if feasible in quantitative form) between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the County to meet its obligations. To the extent reasonably feasible, the comparison also shall be quantitative.

Section 9. Additional Information Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth herein or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation hereunder to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

Section 10. Default In the event of a failure of the County to comply with any provision of this Disclosure Certificate, the sole remedy available to any holder, owner or Beneficial Owner of Series 2003 Bonds shall be to seek specific performance by court order to

cause the County to comply with its obligations under this Disclosure Certificate, it being the County's position that money damages would be inadequate recompense and/or difficult to ascertain. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, if any, all holders, owners and Beneficial Owners from time to time of the Series 2003 Bonds for the benefit of such holders, owners and Beneficial Owners, and shall create no rights in any other person or entity.

Section 12. Sources of Payment. The County shall be required to use only Pledged Funds to pay any costs and expenses to be incurred in the performance of its obligations under this Disclosure Certificate and the performance of its obligations hereunder shall be subject to the availability of Pledged Funds for that purpose. None of the members or employees of the County shall be charged personally with any liability, or held liable under any term or provision of this Disclosure Certificate because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

THE SERIES 2003 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ARTICLE VII, SECTION 12 OF THE CONSTITUTION OF THE STATE, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS. NO OWNER OF ANY SERIES 2003 BONDS OR ANY INSURER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON ANY SUCH SERIES 2003 BOND OR SHALL BE ENTITLED TO PAYMENT OF SUCH SERIES 2003 BONDS FROM ANY MONEYS OF THE COUNTY EXCEPT THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE RESOLUTION.

Section 13. Obligated Persons. Any change in Obligated Persons shall be reported by the County in connection with the Annual Financial Information. If any person, other than the County, becomes an Obligated Person relating to the Series 2003 Bonds, the County shall use its reasonable best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person; provided, however, the County takes no responsibility for the accuracy or completeness of any financial information or operating data or other filings by any future Obligated Person.

Section 14. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the internal laws of the State of Florida (without regard to conflict of law principles thereof), provided that, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 15. Severability. In case any part of this Disclosure Certificate is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Certificate. This Disclosure Certificate shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Certificate affect any legal and valid application.

IN WITNESS WHEREOF, the County has executed this Disclosure Certificate to be executed on its behalf by its authorized representative as of the date first above written.

ST. JOHNS COUNTY, FLORIDA

By: _____
Chair

APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

FOLEY & LARDNER
THE GREENLEAF BUILDING
200 LAURA STREET
JACKSONVILLE, FLORIDA 32202-3510
P. O. BOX 240
JACKSONVILLE, FLORIDA 32201-0240
904.359.2000 TEL
904.359.8700 FAX
www.foleylardner.com

WRITER'S DIRECT LINE
904.359.8774
clever@foleylaw.com Email

CLIENT/MATTER NUMBER
075766-0155

_____, 2003

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

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of County Commissioners (the "Board") of St. Johns County, Florida (the "Issuer"), and other proofs submitted relative to the authorization, issuance and sale of and the security for the following described bonds (the "Bonds"):

§ _____
ST. JOHNS COUNTY, FLORIDA
TRANSPORTATION IMPROVEMENT REVENUE BONDS
SERIES 2003
Dated as of December 1, 2003

The Bonds are issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 125, Part I, Florida Statutes, as amended, and Resolution No. 92-103 adopted by the Board on June 23, 1992, as supplemented, particularly as supplemented by Resolution No. 2003-____ adopted by the Board on _____, 2003 (collectively, the "Resolution"), for the purpose of (i) financing all or a portion of the cost of the acquisition, construction and installation of certain capital transportation improvements within St. Johns County, Florida, (ii) funding a debt service reserve account for the Bonds, and (iii) paying the costs of issuing the Bonds. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. All terms used herein in capitalized form and not otherwise defined herein shall have the respective meanings assigned to such terms in the Resolution.

The principal of and interest on the Bonds are payable solely from and secured by a prior lien upon and a pledge of the Issuer's portion of the six-cent local option fuel tax distributed to the Issuer and the municipalities of St. Johns County by the Florida Department of Revenue from the State Local Option Fuel 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 Bonds, and all moneys, including investments thereof, in certain of the funds and accounts established pursuant to the Resolution in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

The Honorable Chairman and Members
of the Board of County Commissioners
of St. Johns County, Florida
_____, 2003

Page 2

The Bonds and the interest thereon do not constitute a general indebtedness of the Issuer or a pledge of its faith and credit, but are payable solely from the Pledged Funds in the manner provided in the Resolution. No owner of any of the Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer to pay the Bonds or interest thereon or be entitled to payment of the Bonds or interest thereon from any moneys or property of the Issuer except the Pledged Funds.

The Bonds are payable on a parity, equally and ratably, from the Pledged Funds with the Issuer's outstanding Transportation Improvement Revenue Refunding Bonds, Series 2002. The Issuer has reserved the right to issue additional parity bonds to be payable from and secured by the Pledged Funds equally and ratably with the Bonds upon the terms and conditions prescribed in the Resolution.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly created and validly existing political subdivision of the State of Florida with the power to adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer in accordance with its terms.
3. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer enforceable in accordance with their terms.
4. The 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.
5. Interest on the Bonds (including any original issue discount properly allocable to the owners thereof) (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax applicable to all taxpayers; provided, however, that interest on the Bonds is included in "adjusted current earnings" for purposes of calculating the alternative minimum tax imposed on corporations. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the

The Honorable Chairman and Members
of the Board of County Commissioners
of St. Johns County, Florida
_____, 2003

Page 3

interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. 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.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

APPENDIX F

FORM OF FINANCIAL GUARANTY INSURANCE POLICY

Financial Guaranty Insurance Policy

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

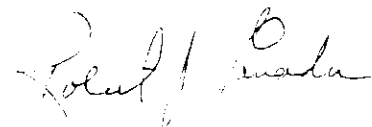
In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder on a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

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

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



President



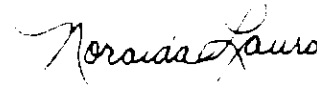
Secretary

Effective Date:

Authorized Representative:

THE BANK OF NEW YORK as successor to THE BANK OF NEW YORK TRUST COMPANY
to perform the duties of Insurance Trustee under this Policy

Form No. 1B-0012 (1-01)



Authorized Officer of Insurance Trustee



Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Endorsement

Policy for:

Attached to and forming part of Policy No.:

Effective Date of Endorsement:

The insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

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

Ambac Assurance Corporation

President



Secretary

Authorized Representative

EXHIBIT D

REGISTRAR AND PAYING AGENCY AGREEMENT

**REGISTRAR, PAYING AGENT AND
AUTHENTICATING AGENT AGREEMENT**

between

ST. JOHNS COUNTY, FLORIDA

and

**BANK ONE TRUST COMPANY,
NATIONAL ASSOCIATION**

Pertaining To The

**ST. JOHNS COUNTY, FLORIDA
TRANSPORTATION IMPROVEMENT
REVENUE BONDS, SERIES 2003**

Dated as of December 1, 2003

TABLE OF CONTENTS

page

Article One

Appointment of Bank As Registrar, Paying Agent and Authenticating Agent

Section 1.01.	Appointment.....	1
Section 1.02.	Compensation.....	2

Article Two

Definitions

Section 2.01.	Definitions.....	2
---------------	------------------	---

Article Three

Paying Agent

Section 3.01.	Duties of Paying Agent.....	4
Section 3.02.	Payment Dates.....	4

Article Four

Registrar and Authenticating Agent

Section 4.01.	Transfer and Exchange.....	5
Section 4.02.	The Bonds.....	5
Section 4.03.	Form of Register.....	6
Section 4.04.	List of Owners.....	6
Section 4.05.	Cancellation of Bonds.....	6
Section 4.06.	Mutilated, Destroyed, Lost, or Stolen Bonds.....	6
Section 4.07.	Transaction Information to Issuer.....	7

Article Five

The Bank

Section 5.01.	Duties of Bank.....	7
Section 5.02.	Reliance on Documents, Etc.....	7
Section 5.03.	Recitals of Issuer.....	8
Section 5.04.	May Hold Bonds.....	9
Section 5.05.	Money Held by Bank.....	9
Section 5.06.	Mergers or Consolidations.....	9
Section 5.07.	Indemnification.....	9

Section 5.08.	Interpleader.	10
---------------	--------------------	----

Article Six

Miscellaneous Provisions

Section 6.01.	Amendment.	10
Section 6.02.	Assignment.	10
Section 6.03.	Notices.	10
Section 6.04.	Effect of Headings.	11
Section 6.05.	Successors and Assigns.	11
Section 6.06.	Severability.	11
Section 6.07.	Benefits of Agreement.	11
Section 6.08.	Entire Agreement.	11
Section 6.09.	Counterparts.	11
Section 6.10.	Termination.	11
Section 6.11.	Governing Law; Venue.	12

Registrar, Paying Agent and Authenticating Agent's Current Fee Schedule	Annex A
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REGISTRAR, PAYING AND AUTHENTICATING AGENT AGREEMENT

This REGISTRAR, PAYING AGENT AND AUTHENTICATING AGENT AGREEMENT (the "Agreement") by and between St. Johns County, Florida (the "Issuer") and Bank One Trust Company, National Association (the "Bank"), a national banking association duly organized and validly existing under the laws of the United States of America.

WHEREAS, the Issuer has duly authorized and provided for the issuance of its outstanding Transportation Improvement Revenue Bonds, Series 2003 in an original aggregate principal amount of \$30,000,000 (the "Bonds"); and

WHEREAS, all things necessary to make the Bonds the valid obligations of the Issuer, in accordance with their terms, will have been taken upon the issuance and delivery thereof; and

WHEREAS, the Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, redemption premium, if any, and interest on the Bonds, in accordance with the terms thereof, and that the Bank act as Registrar and Authenticating Agent for the Bonds; and

WHEREAS, the Issuer has duly authorized the execution and delivery of this Agreement, and all things necessary to make this Agreement a valid agreement of the Issuer, in accordance with its terms, have been done; and

WHEREAS, the Bank, being a duly organized and validly existing national banking association organized under the laws of the United States, has full power and authority to serve as Registrar, Paying Agent and Authenticating Agent hereunder.

NOW, THEREFORE, it is mutually agreed to the following terms:

ARTICLE ONE

APPOINTMENT OF BANK AS REGISTRAR, PAYING AGENT AND AUTHENTICATING AGENT

Section 1.01. Appointment.

(a) The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds, in paying to the Owners of the Bonds the principal, redemption premium, if any, and interest on all or any of the Bonds.

(b) The Issuer hereby appoints the Bank as Registrar and Authenticating Agent with respect to the Bonds.

(c) The Bank hereby accepts its appointment, and agrees to act as the Registrar, Paying Agent and Authenticating Agent with respect to the Bonds in accordance with the terms hereof and the Bond Resolution, as hereinafter defined.

Section 1.02. Compensation.

As compensation for Bank's services as Registrar, Paying Agent and Authenticating Agent the Issuer agrees to pay the Bank the fees and amounts set forth in Annex A hereto. Issuer agrees to reimburse the Bank for any non-recurring expenses, disbursements or advances provided that the Issuer has been notified in advance and has approved such expense, disbursement or advance prior to being incurred or made. The Bank will provide documentation as to such non-recurring expenses and fees incurred by either an invoice or an internally generated document. Such fees and expenses shall be paid to the Bank as billed.

ARTICLE TWO

DEFINITIONS

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms have the following meanings when used in this Agreement.

"Authenticating Agent" means the Bank when it is performing the functions of authenticating the Bonds, in accordance with the terms in this Agreement and the Bond Resolution.

"Bank" means Bank One Trust Company, National Association, or any successors thereto.

"Bank Office" means the principal operations office of the Corporate Trust Division of the Bank in Columbus, Ohio. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Bond" or **"Bonds"** means any or all of the Issuer's outstanding Transportation Improvement Revenue Bonds, Series 2003.

"Bond Insurer" means Ambac Assurance Corporation, or any successors thereto.

"Bond Resolution" means Resolution No. 92-103 adopted by the Issuer on June 23, 1992, as supplemented, particularly as supplemented by Resolution No. 2003-____, adopted by the Issuer on November 4, 2003; providing for the issuance of the Bonds.

"Fiscal Year" means each 12-month period ending September 30.

"Interest Period" means the number of days from the Bond's dated date or from the Bond's previous payment date based on a 30-day month.

"Issuer" means St. Johns County, Florida.

“Issuer Request” and ***“Issuer Order”*** means a request in writing signed by the Issuer’s Finance Director, or any other officer or official of the Issuer duly authorized and satisfactory to the Bank.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Owner” means the Depository Trust Company (“DTC”) or any successor company, unless the Bonds are no longer maintained under a system of book-entry, then such term shall mean the Person in whose name a Bond is registered in the Register.

“Paying Agent” means the Bank when it is performing the functions of paying principal, redemption premium, if any, and interest on the Bonds, all in accordance with the terms in this Agreement and the Bond Resolution.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, organization or government or any agency or political subdivision of a government.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same obligation as that evidenced by such particular Bond (and, for the purposes of this definition, any Bond registered and delivered under Section 4.06 in lieu of a mutilated, lost, destroyed or stolen Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Bond).

“Register” means a register in which the Bank shall, on behalf of the Issuer, provide for the registration and transfer of Bonds.

“Registrar” means the Bank when it is performing the functions of registrar in accordance with the terms in this Agreement and the Bond Resolution.

“Responsible Officer” when used with respect to the Bank means the President or Vice President of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject.

“Stated Maturity” means the date specified on the face of the Bond as the fixed date on which the principal of the Bond is due and payable or the date fixed in accordance with the terms of the Bond Resolution for earlier redemption of the Bond, or any portion thereof, prior to the fixed maturity date.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent.

(a) The Bank, as Paying Agent and on behalf of the Issuer, shall pay to the Owner, at the Stated Maturity or upon redemption prior to Stated Maturity and upon the surrender of the Bond or Bonds so maturing at the Bank Office, the principal amount of and premium, if any, on the Bond or Bonds then maturing or subject to redemption, provided that the Bank shall have been provided by or on behalf of the Issuer adequate collected funds to make such payment, or in the event that DTC is the Owner then payment is to be made to DTC or its successor by whatever means is agreeable between DTC, or its successor, and the Paying Agent.

(b) The Bank, as Paying Agent and on behalf of the Issuer, shall pay interest when due on the Bonds to each Owner of the Bonds (or their Predecessor Bonds) as shown in the Register at the close of business on the Record Date, with respect to the Bonds, provided that the Bank shall have been provided by or on behalf of the Issuer adequate collected funds to make such payments; such payments shall be made by computing the amount of interest to be paid each Owner (by multiplying the outstanding principal for each maturity or redemption by its respective interest rate and by the number of days in the interest period the product of which is divided by 360), preparing the checks, and mailing the checks on each interest payment date addressed to each Owner's address as it appears in the Register, or in the event that DTC is the Owner then payment is to be made to DTC or its successor by whatever means is agreeable between DTC, or its successor, and the Paying Agent.

(c) If the funds received by the Bank from the Issuer are insufficient for the payment of the principal of, premium, if any, or interest on the Bonds on any principal, redemption or interest payment date, the Bank shall notify the Issuer and the Bond Insurer of such deficiency in accordance with the Bond Insurance Policy. In the event the Bonds have been defeased in accordance with the Bond Resolution, then the Bank shall notify the escrow agent for the trust account for the defeased bonds.

(d) The Bank, as Paying Agent, shall perform all obligations under the Bond Resolution, as supplemented and amended, and under any credit facility deposited in the Bond Reserve Account as may be required thereunder in connection with such credit facility.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of, premium, if any, and interest on the Bonds on the dates specified in the Bond Resolution and on subsequent payment dates until the principal on the Bonds are ultimately retired.

ARTICLE FOUR

REGISTRAR AND AUTHENTICATING AGENT

Section 4.01. Transfer and Exchange.

(a) The Issuer shall keep the Register at the Bank Office, and subject to such reasonable written regulations as the Issuer may prescribe, which regulations shall be furnished to the Bank herewith or subsequent hereto by Issuer Order, the Issuer shall provide for the registration and transfer of the Bonds. The Bank, is hereby appointed as and accepts the role of "Registrar and Authenticating Agent" for the purpose of registering, transferring and authenticating the Bonds as herein provided. The Bank agrees to maintain the Register while it is Registrar.

(b) The Registrar hereby agrees that at any time while any Bond is outstanding, the Owner may deliver such Bond to the Registrar for transfer or exchange, accompanied by instructions from the Owner, or the duly authorized designee of the Owner, designating the persons, the maturities, and the principal amounts to and in which such Bond is to be transferred and the addresses of such persons; the Registrar shall thereupon, within not more than three (3) business days, register and deliver such Bond or Bonds as provided in such instructions. The Bank shall, as Authenticating Agent, authenticate and deliver Bonds only in accordance with the terms of the Bond Resolution. To the extent any transfer and exchange procedures set forth herein are in conflict with such provisions in the Bond Resolution, the provisions of the Bond Resolution shall control.

(c) Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a commercial bank or trust company or a member firm of the New York Stock Exchange, in form satisfactory to the Bank, duly executed by the Owner thereof or his attorney duly authorized in writing.

(d) The Registrar may request any supporting documentation necessary to effect a re-registration.

(e) The Owner may be charged an amount sufficient to reimburse the Issuer or the Registrar for any tax, fee or other governmental charge required to be paid for any registration, transfer, or exchange of Bond(s).

Section 4.02. The Bonds.

The Clerk of the Issuer shall provide an adequate inventory of unregistered Bonds to facilitate transfers of the Bonds in the event the Bonds are no longer maintained under a book-entry system. The Bank covenants that it will maintain the unregistered Bonds in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03. Form of Register.

The Bank as Registrar will maintain the records of the Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than a form which the Bank has currently available and currently utilizes at the time.

Section 4.04. List of Owners.

(a) The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the cost, if any, of reproduction, a copy of the information contained in the Register. The Issuer may also inspect the information in the Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

(b) Except as otherwise provided in the Bond Resolution, the Bank will not release or disclose the content of the Register to any person other than to the Issuer's Finance Director, or any other officer or official of the Issuer duly authorized and satisfactory to the Bank, except upon the direction or request of an authorized officer or designee of the Issuer or upon receipt of a subpoena or court order. Upon receipt of a subpoena or court order and as permitted by law, the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order.

Section 4.05. Cancellation of Bonds.

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already canceled, shall be promptly canceled by the Bank. The Issuer may, at any time, deliver to the Bank for cancellation any Bonds previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Bank. All canceled Bonds held by the Bank shall be disposed of by the Bank as directed by the Issuer. The Bank will surrender to the Issuer, at such reasonable intervals as it determines, certificates of destruction, in lieu of which or in exchange for which other Bonds have been issued or which have been paid.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Bonds.

(a) Subject to the provisions of this Section 4.06, the Issuer hereby instructs the Bank to deliver fully registered Bonds in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds as long as the same does not result in an over issuance, all in conformance with the requirements of the Bond Resolution.

(b) If (i) any mutilated Bond is surrendered to the Bank, or the Issuer and the Bank receives evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (ii) there is delivered to the Issuer and the Bank such security or indemnity as may be required by the Bank to save and hold each of them harmless, then, in the absence of notice to the Issuer or the Bank that such Bond has been acquired by a bona fide purchaser, upon the Issuer's request the Bank shall authenticate, shall register and deliver, in exchange for or in lieu of any such mutilated,

destroyed, lost, or stolen Bond, a new Bond of the same stated maturity and of like tenor and principal amount bearing a number not contemporaneously outstanding.

(c) Duplicate replacement Bonds issued in place of any mutilated, destroyed, stolen or lost Bonds shall only be issued in accordance with the Bond Resolution and general law of the State of Florida.

(d) Upon the satisfaction of the Bank and the Issuer that a Bond has been mutilated, destroyed, lost or stolen, and upon receipt by the Bank and the Issuer of such indemnity or security as they may require, the Bank shall cancel the Bond number on such Bond, with a notation in the Register that said Bond has been mutilated, destroyed, lost or stolen, and a new Bond shall be issued of the same series and of like tenor and principal amount bearing a number, according to the Register not contemporaneously outstanding.

(e) The Bank may charge the Owner any expenses of the Issuer or the Bank in connection with issuing a new Bond in lieu of or exchange for a mutilated, destroyed, lost or stolen Bond.

Section 4.07. Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Bonds it has paid pursuant to Section 3.01, Bonds it has delivered upon the transfer or exchange of any Bonds pursuant to Section 4.01, and Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds pursuant to Section 4.06.

ARTICLE FIVE

THE BANK

Section 5.01. Duties of Bank.

The Bank undertakes to perform the duties set forth herein and in accordance with the Bond Resolution and agrees to use reasonable care in the performance thereof. The Bank hereby agrees to use the funds deposited with it for payment of the principal of, redemption premium, if any, and interest on the Bonds to pay the Bonds as the same shall become due, and further agrees to establish and maintain all accounts and funds as may be required for the Bank to function as Paying Agent.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely as to the truth of the statements and correctness of the opinions expressed on any certificate or opinion furnished to the Bank which the Bank reasonably believes to be true and correct.

(b) The Bank shall not be liable for any error of judgment or any act or steps taken or permitted to be taken in good faith, or for any mistake in law or fact, or for anything it may do or refrain from doing in connection herewith, except for its own willful misconduct or negligence.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document believed reasonably by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Bonds, but is protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Owner or an attorney-in-fact for or legal representative of the Owner. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, direction, consent, order, certificate, note, security paper or document supplied by Issuer.

(e) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(f) The Bank may consult with nationally recognized counsel, and the advice of such counsel or any opinion of such counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(g) The Bank shall not be liable, directly or indirectly, for any act, or any failure to act, with respect to the Bonds taking place, or required to have taken place, prior to the date of the execution hereof.

Section 5.03. Recitals of Issuer.

(a) The recitals contained herein and in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

(b) The Bank shall in no event be liable to the Issuer, any Owner or Owners or any other Person for any amount due on any Bond except in the event of the Bank's willful misconduct or negligence.

Section 5.04. May Hold Bonds.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent, Registrar, and Authenticating Agent or any other agent.

Section 5.05. Money Held by Bank.

(a) Money held by the Bank hereunder need not be segregated from any other funds provided appropriate accounts are maintained.

(b) The Bank shall be under no liability for interest on any money received by it hereunder.

(c) Unless otherwise provided in the Bond Resolution, any money deposited with the Bank for the payment of the principal, redemption premium, if any, or interest on any Bond and remaining unclaimed for three years after final maturity of the Bond has become due and payable will be paid by the Bank to the Issuer, and the Owner of such Bond shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease.

Section 5.06. Mergers or Consolidations.

Any corporation into which the Bank, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Bank or any successor to it shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Registrar, Paying Agent and Authenticating Agent shall be transferred shall be the successor Bank under this Agreement with written notice to the Issuer of the merger or consolidation within 60 days after the effective date of such transaction.

Section 5.07. Indemnification.

The Issuer hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by Florida law, to indemnify, protect, save and keep harmless the Bank and its respective successors, assigns, 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 disbursements), which may be imposed on, incurred by, or asserted against, at any time, the Bank and in any way relating to or arising out of the execution and delivery of this Agreement, the acceptance of the funds and securities deposited hereunder, and any payment, transfer or other application of funds and securities by the Bank in accordance with the provisions of this Agreement and the Bond Resolution; or any other duties of the Bank hereunder; provided, however, that the Issuer shall not be required to indemnify the Bank against the Bank's own negligence or willful misconduct. In no event shall the Issuer be liable to any person by reason of the transactions contemplated hereby other than to the Bank as set forth in

this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Bank as Registrar, Paying Agent and/or Authenticating Agent.

Section 5.08. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its persons as well as funds on deposit, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in Section 6.03 hereof shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in St. Johns County, Florida or Duval County, Florida (refer to Section 6.11, hereafter) to determine the rights of any person claiming any interest herein.

ARTICLE SIX

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank, and any notice of deficiency to the Bond Insurer in accordance with Section 3.01(c) herein, shall be mailed first class postage prepaid or hand delivered to the Issuer or Bank or Bond Insurer at the respective addresses shown below:

If to the Issuer:	St. Johns County 4020 Lewis Speedway St. Augustine, Florida 32095 Attn: Finance Director
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If to the Bank:	Bank One Trust Company, National Association 10151 Deerwood Park Boulevard Building 200, Suite 250 Jacksonville, FL 32256 Attn: Corporate Trust Division
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If to the Bond Insurer:

Attn: _____

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by either party shall bind its successors and assigns whether so expressed or not.

Section 6.06. Severability.

In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent, Registrar and Authenticating Agent and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall govern.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination.

(a) This Agreement will terminate on the date of final payment by the Bank issuing its final payment of principal and interest of the Bonds, anticipated to be October 1, 2032.

(b) This Agreement may be earlier terminated with or without cause upon 60 days written notice by either party. Upon such termination, the Issuer reserves the right to appoint a successor Paying Agent, Registrar and Authenticating Agent. If this Agreement is terminated

pursuant to this subsection (b) and appointment of a successor is not made within sixty (60) days from the date of written notice, the Bank shall deliver all records and any unclaimed funds to the Issuer, otherwise they shall be delivered to the successor, without a right of setoff by the Bank for any fees, charges or expenses from the dated date of the written notice; provided, however, that the Bank is entitled to payment of all outstanding fees and expenses incurred prior to the date of written notice to the Issuer. In the event this Agreement is terminated by giving written notice, then the Bank agrees, upon request by the Issuer, to give notice by first-class mail to all registered holders of the name and address of the successor Paying Agent, Registrar and Authenticating Agent. Expenses for such notice to the registered holders shall be paid by the Issuer.

The Issuer may appoint any Registrar, Paying Agent and Authenticating Agent, unless otherwise prohibited by State law, as may be amended from time to time.

(c) The provisions of Section 1.02 and Article Five shall survive, and remain in full force and effect following the termination of this Agreement.

(d) In the event this Agreement is terminated prior to the time set forth in (a) above, a pro rated portion of the one-time, up front fee that the County paid the Bank pursuant to Section 1.02 and Annex A shall be returned to the County. The pro rated portion shall be calculated by dividing the number of separate principal and interest payments that remain to be paid by the Bank to the individual Owners under this Agreement at the time of termination of this Agreement by the total number of separate principal and interest payments that are required to be made by the Bank to the Owners pursuant to this Agreement without regard to early termination and then multiplying the quotient by the amount of the one-time, upfront fee.

Section 6.11. Governing Law; Venue.

This Agreement shall be construed in accordance with and governed by the laws of the State of Florida. Any action or proceeding, in law or equity, arising out of or in any way related to this Agreement or the obligations hereunder shall be in St. Johns County, Florida or if in federal court, in Duval County, Florida.

[The remainder of this page is deliberately left blank.
Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 1st day of December, 2003.

ST. JOHNS COUNTY, FLORIDA

By: _____
James E. Bryant, Board of County
Commissioners

ATTEST:

Cheryl Strickland, Clerk of the Circuit
Court for St. Johns County, ex officio
Clerk of the Board of County
Commissioners

**BANK ONE TRUST COMPANY,
NATIONAL ASSOCIATION**

By: _____
Name: _____
Title: _____

ANNEX A

**FEES FOR REGISTRAR, PAYING AGENT AND
AUTHENTICATING AGENT SERVICES**

**ST. JOHNS COUNTY, FLORIDA
TRANSPORTATION IMPROVEMENT REVENUE BONDS, SERIES 2003**

One Time, Up-Front Fee, paid in-full on December 8, 2003: \$5,500

Fee stated above includes set-up and transfer fees and wire transaction fees. The County may be billed for non-recurring expenses as stated in Section 1.02 of this Agreement.

EXHIBIT E

CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This **CONTINUING DISCLOSURE CERTIFICATE** (this "Disclosure Certificate") is executed and delivered as of December __, 2003 by **ST. JOHNS COUNTY, FLORIDA** (the "County"), in connection with the sale of the County's Transportation Improvement Revenue Bonds, Series 2003 (the "Series 2003 Bonds") in the aggregate principal amount of \$30,000,000 to be issued pursuant to and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, County Ordinance 86-89 enacted by the Board of County Commissioners of the County (the "Board"), as amended (the "Ordinance") and other applicable provisions of law and Resolution No. 92-103 of the County duly adopted by the Board on June 23, 1992 (the "Master Resolution"), as supplemented by Resolution No. 2003-____ duly adopted by the Board on November 4, 2003 (together with the Master Resolution, the "Resolution")

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of owners and Beneficial Owners of the Series 2003 Bonds. The financial information and operating data forming the basis of the annual reporting requirements of Section 3 and 4 of this Disclosure Certificate are derived from the Official Statement (as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms used in this Disclosure Certificate have the following meanings:

"Annual Financial Information" shall mean the information with respect to the County described in Section 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any individual beneficial owner of the Series 2003 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Dissemination Agent" shall mean the County or any Dissemination Agent designated by the County pursuant to Section 7 hereof.

"Fiscal Year" shall mean the fiscal year of the County, which currently is the twelve month period beginning October 1 and ending on September 30 of the following year.

"GAAP" shall mean generally accepted accounting principles promulgated by the Governmental Accounting Standards Board as in effect from time to time in the United States.

"Listed Events" shall mean any of the events listed in Section 5(a) hereof.

"MSRB" shall mean the Municipal Securities Rulemaking Board, 1150 18th Street, N.W., Suite 400, Washington, DC 20036-2491.

"National Repository" shall mean any of the names and addresses of each National Repository and State Repository as of any date may currently be obtained by calling the SEC's Fax on Demand Service at 202/942-8088 and requesting document numbers 0206 and 0207, respectively, or by visiting the SEC's web site at "www.sec.gov/info/municipal/nrmsir.htm."

"Obligated Person" shall mean the County and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2003 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The County confirms that currently it is the only Obligated Person.

"Official Statement" shall mean the Official Statement of the County, dated November __, 2003, delivered in connection with the offering of the Series 2003 Bonds and any amendment or supplement thereto.

"Repository" shall mean each National Repository and each State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as such rule may be amended from time to time and any successor provisions thereto.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the State of Florida.

"State Repository" or **"SID"** shall mean any public or private repository or entity designated by the State as a state information depository for the purposes of the Rule and recognized as such by the SEC. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Financial Information Except as otherwise provided herein, the County shall, or shall cause the Dissemination Agent to, provide each Repository with the Annual Financial Information for each Fiscal Year ending on or after September 30, 2003, not later than the following June 1. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may include by cross-reference other information as provided in Section 4 hereof; provided however, that, if the financial statements of the County are audited, then such audited financial statements must be submitted, but they may be submitted separately from the balance of the Annual Financial

Information and later than the date required above for the filing of the Annual Financial Information if they are not available by such date. If the Fiscal Year changes, the County shall give written notice of such change in the same manner as for a Listed Event in Section 5(c) hereof. If the financial statements of the County specified in the manner described hereof are not available by the time the Annual Financial Information must be provided, unaudited Financial Statements of the County shall be provided by the County as part of the Annual Financial Information and such audited financial statements of the County, when and if available, will be provided by the County to each Repository immediately upon such audited financial statements becoming available.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues with respect to which the County is an "obligated person", which have been filed with each Repository or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so included by reference.

The requirements of this Section do not necessitate the preparation of any separate annual report addressing only the Series 2003 Bonds. These requirements may be met by the filing of a combined bond report or the County's Comprehensive Annual Financial Report; provided, such report includes all of the information required by this Disclosure Certificate to be provided and is available by June 1.

Section 4. Content of Annual Financial Information The Annual Financial Information of the County shall consist of or cross reference the following:

(a) Basic financial statements and required supplementary information for the County prepared in accordance with GAAP.

(b) Annual, updated historical financial information, operating data and Gas Tax Revenues collection data for the County of the type included in the Official Statement, including but not limited to, the information contained in tables titled "Historical Sales in the County," "Historical Monthly Gas Tax Revenues" and "Historical Gas Tax Revenues Distribution and Debt Service Coverage."

If the County has not filed the Annual Financial Information when due, then the County or the Dissemination Agent, on behalf of the County, shall file a notice with each Repository as required by the Rule.

Section 5. Reporting of Significant Events.

(a) The County shall give, or cause to be given, on behalf of the County and in a timely manner, notice of the occurrence of any of the following events with respect to the Series 2003 Bonds, if material, to each National Repository or the MSRB and to the SID, if any:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on any debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on any credit enhancements reflecting financial difficulties;
- (v) Substitutions of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events adversely affecting the tax-exempt status of the Series 2003 Bonds;
- (vii) Modifications to rights of holders of the Series 2003 Bonds;
- (viii) Calls (excluding calls for sinking fund mandatory redemptions) on the Series 2003 Bonds;
- (ix) Defeasances of the Series 2003 Bonds;
- (x) Release, substitution or sale of property securing repayment of the Series 2003 Bonds;
- (xi) Rating changes; and
- (xii) Notice of any failure on the part of the County or any other Obligated Person to meet the requirements of this Section 5.

(b) Whenever the County obtains actual knowledge of the occurrence of a Listed Event, the County shall determine promptly if such event would be material to holders of the Series 2003 Bonds or any series thereof, under applicable federal securities laws.

(c) If the County has determined that knowledge of the occurrence of a Listed Event would be material to holders of the Series 2003 Bonds or any series thereof, under

applicable federal securities laws, the County shall timely give or cause to be given a notice of such occurrence (as required by Section 5(a) hereof) to each National Repository or the MSRB and to the SID, if any, provided, that any event under Section 5(a)(iii), (iv), (v), (vi) or (xi) above will always be deemed to be material.

(d) Each notice given pursuant to this Section 5 shall be captioned "Material Event Notice" and shall prominently state the date, title and CUSIP numbers of the affected Series 2003 Bonds.

Section 6. Termination of Reporting Obligation

(a) The obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2003 Bonds.

(b) If in the opinion of nationally recognized bond counsel satisfactory to the County, the Rule shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and if and to the extent in the opinion of nationally recognized bond counsel satisfactory to the County, the Rule, or any provisions thereof, shall be declared by a federal court of competent and final, non-appealable jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Series 2003 Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder.

(c) If a termination or cessation described in either Section 6(a) or (b) hereof occurs prior to the final maturity of the Series 2003 Bonds, the County shall give or cause to be given notice of such event in the same manner as for a Listed Event under Section 5(c) hereof.

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may unilaterally amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3, 4, 5 or 10 hereof, it may only be made in connection with a change in circumstances that arises from a change in applicable legal requirements, change in law, any subsequent change in

or applicable and binding interpretation of the Rule, or change in the identity, nature or status of the County or any other Obligated Person or the type of business conducted;

(b) this Disclosure Certificate, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2003 Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver does not materially impair the interests of the owners or Beneficial Owners of the Series 2003 Bonds, as determined either by parties unaffiliated with the County or any other Obligated Persons (i.e., nationally recognized bond counsel satisfactory to the County).

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the County shall describe such amendment in the next Annual Financial Information relating to the County, and shall include a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided by or in respect of the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c) hereof, and (ii) the Annual Financial Information relating to the County for the year in which the change is made shall present a comparison (in narrative form and also, if feasible in quantitative form) between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the County to meet its obligations. To the extent reasonably feasible, the comparison also shall be quantitative.

Section 9. Additional Information Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth herein or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation hereunder to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

Section 10. Default In the event of a failure of the County to comply with any provision of this Disclosure Certificate, the sole remedy available to any holder, owner or Beneficial Owner of Series 2003 Bonds shall be to seek specific performance by court order to

cause the County to comply with its obligations under this Disclosure Certificate, it being the County's position that money damages would be inadequate recompense and/or difficult to ascertain. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, if any, all holders, owners and Beneficial Owners from time to time of the Series 2003 Bonds for the benefit of such holders, owners and Beneficial Owners, and shall create no rights in any other person or entity.

Section 12. Sources of Payment. The County shall be required to use only Pledged Funds to pay any costs and expenses to be incurred in the performance of its obligations under this Disclosure Certificate and the performance of its obligations hereunder shall be subject to the availability of Pledged Funds for that purpose. None of the members or employees of the County shall be charged personally with any liability, or held liable under any term or provision of this Disclosure Certificate because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

THE SERIES 2003 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ARTICLE VII, SECTION 12 OF THE CONSTITUTION OF THE STATE, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS. NO OWNER OF ANY SERIES 2003 BONDS OR ANY INSURER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON ANY SUCH SERIES 2003 BOND OR SHALL BE ENTITLED TO PAYMENT OF SUCH SERIES 2003 BONDS FROM ANY MONEYS OF THE COUNTY EXCEPT THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE RESOLUTION.

Section 13. Obligated Persons. Any change in Obligated Persons shall be reported by the County in connection with the Annual Financial Information. If any person, other than the County, becomes an Obligated Person relating to the Series 2003 Bonds, the County shall use its reasonable best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person; provided, however, the County takes no responsibility for the accuracy or completeness of any financial information or operating data or other filings by any future Obligated Person.

Section 14. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the internal laws of the State of Florida (without regard to conflict of law principles thereof), provided that, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 15. Severability. In case any part of this Disclosure Certificate is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Certificate. This Disclosure Certificate shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Certificate affect any legal and valid application.

IN WITNESS WHEREOF, the County has executed this Disclosure Certificate to be executed on its behalf by its authorized representative as of the date first above written.

ST. JOHNS COUNTY, FLORIDA

By: _____
Chair

EXHIBIT F

DESCRIPTION OF 2003 PROJECT

DEBT FINANCING PROJECT LIST

Project	Phase	Project Total	Cumulative Total	Notes
Mitigation Land	L	\$6,618,943	\$6,618,943	Turnbull tract repayment and New land
South Francis Road	C	\$1,500,000	\$8,118,943	Per agreement with World Commerce Center
SR 312 Extension	EIS	\$400,000	\$8,518,943	FDOT, non-reimbursable - Update
SR 312 Extension	D	\$1,600,000	\$10,118,943	FDOT, non-reimbursable - ROW maps
CR 210, US 1 Interchange	PD&E	\$400,000	\$10,518,943	FDOT, non-reimbursable - New
CR 2209, Central & Southern Sections	PE	\$475,700	\$10,994,643	
CR 2209, Central Section	D&P	\$1,000,000	\$11,994,643	30% of current D&P estimate
CR 210, C. E. Wilson to US 1	D&P	\$1,400,000	\$13,394,643	
CR 210 Roundabout & ICW thru Mickler Inter.	D&P	\$60,000	\$13,454,643	
CR 210 Roundabout & ICW thru Mickler Inter.	L	\$1,000,000	\$14,454,643	
CR 210 Roundabout & ICW thru Mickler Inter.	C	\$2,000,000	\$16,454,643	
Misc. ROW	L	\$2,000,000	\$18,454,643	Any eligible CIP or Bond project
King St. Corridor	D&P	\$895,000	\$19,349,643	Phase I - Holmes to McLaughlin
DRIP	C	\$3,900,000	\$23,249,643	
Cowpen Branch Rd. Bridge	D&P, C	\$658,000	\$23,907,643	#784005, SR 25.3 - Design/Build?
Winifred Masters Rd.	D&P, C	\$766,850	\$24,674,493	#784014, SR 40.0 - Design/Build?
Rutile Road Bridge	D&P, C	\$1,655,000	\$26,329,493	#784035, SR 40.9 - Design/Build?
Lake Road Bridge	D&P, C	\$1,200,000	\$27,529,493	#784036, SR 44.4 - Design/Build?
Equipment Storage Building	C	\$350,000	\$27,879,493	
Durbin Creek Blvd./Racetrack Rd. Inter.	D&P, C	\$275,000	\$28,154,493	Safety Improvement
CR 305 Extension	S	\$150,000	\$28,304,493	
Holmes Blvd. Extension	C	\$2,500,000	\$30,804,493	
Racetrack Road	C	\$3,259,709	\$34,064,202	
Russell Sampson Rd.	L	\$250,000	\$34,314,202	County share, not covered by developer
Russell Sampson Rd.	C	\$437,000	\$34,751,202	County share, not covered by developer
Borrow Pit Replacement	L	\$1,000,000	\$35,751,202	
Countywide Stormwater Improvements	D&P, C	\$375,000	\$36,126,202	50% share of project
North Beach Drainage Improvements	D&P	\$80,000	\$36,206,202	50% share of project
Roscoe Blvd. Safety Improvements	PE, D&P, C	\$580,000	\$36,786,202	Phase 1 - Intersection improvements
Ponte Vedra MSD Drainage Improvements	C	\$391,665	\$37,177,867	50% share of remaining project
Sunset Drive Drainage Improvements	C	\$151,250	\$37,329,117	50% share of project
Solana Road Drainage Improvements	C	\$180,000	\$37,509,117	50% share of project
Moullie Creek Bluff Stabilization	D&P, C	\$275,000	\$37,784,117	
Roberts Road Paving	C	\$465,355	\$38,249,472	
Cypress Links Blvd. Street Lighting	C	\$200,000	\$38,449,472	
W.King St. Mast Arm	D&P, C	\$180,000	\$38,629,472	
Total, All Projects			\$38,629,472	
Preliminary Engineering - PE Design and Permit - D&P Land Acquisition - L Construction - C Study - S				
Project Development & Environmental Study - PD&E Design - D Environmental Impact Study - EIS				