

RESOLUTION NO. 03-~~231~~

A RESOLUTION APPROVING THE ISSUANCE BY THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY OF ITS HOSPITAL REVENUE BONDS (FLAGLER HOSPITAL, INC. PROJECT), SERIES 2003, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 IN ORDER TO OBTAIN FUNDS TO LOAN TO FLAGLER HOSPITAL, INC. (THE "HOSPITAL") FOR THE PURPOSES OF (A) REFUNDING THE OUTSTANDING ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY HOSPITAL REVENUE BONDS (FLAGLER HOSPITAL PROJECT), SERIES 1992, (B) PAYING OR REIMBURSING THE HOSPITAL FOR THE COSTS OF A CAPITAL PROJECT CONSISTING OF THE ACQUISITION, CONSTRUCTION, RENOVATION, EXPANSION AND INSTALLATION OF CERTAIN HEALTH CARE FACILITIES LOCATED OR TO BE LOCATED IN ST. JOHNS COUNTY, FLORIDA, AND TO BE OWNED AND OPERATED BY FLAGLER HOSPITAL, INC., (C) FUNDING A DEBT SERVICE RESERVE FUND FOR THE BONDS AND (D) PAYING THE COSTS OF ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. DEFINITIONS. The terms used in this resolution shall have the respective meanings assigned to them in the Bond Resolution, as hereinafter defined, and in this Section, unless the text hereof clearly otherwise requires.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Section 125.01(1)(z), Florida Statutes, as amended, Chapter 159, Part II, Florida Statutes, as amended, and other applicable provisions of law.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

A. At the request of Flagler Hospital, Inc. (the "Hospital"), St. Johns County Industrial Development Authority (the "Authority"), has heretofore issued \$26,285,000 in aggregate principal amount of its Hospital Revenue Bonds (Flagler Hospital Project), Series 1992 (the "Series 1992 Bonds"), pursuant to a Trust Indenture dated as of August 1, 1992, between the Authority and Sun Bank, National Association, as trustee (the "1992 Trustee"), as amended and supplemented (the "1992 Indenture").

B. The Authority issued the Series 1992 Bonds for the purpose of financing the cost of a capital project consisting of the acquisition, renovation, construction and installation of certain health care facilities, including the acquisition and renovation of an existing 115-bed acute care general hospital facility formerly known as “St. Augustine General Hospital,” including the site therefor and related and appurtenant facilities, fixtures, furnishings and equipment, located at 1955 U.S. 1 South, south of the city limits of the City of St. Augustine, Florida (the “City”), and the acquisition, construction and installation of certain new capital equipment and facilities located or to be located at 1955 U.S. 1 South and 400 Healthpark Boulevard, south of the city limits of the City, to be owned and operated by the Hospital in the operation of its combined hospital facilities.

C. The Hospital has requested that the Authority issue its Hospital Revenue Bonds (Flagler Hospital, Inc. Project), Series 2003 in an aggregate principal amount not to exceed \$35,000,000 (the “Bonds”), in order to obtain funds to loan to the Hospital for the purposes of (i) refunding the outstanding Series 1992 Bonds, (ii) paying or reimbursing the Hospital for the costs of the acquisition, renovation, construction and installation of certain health care facilities (the “Project,” as hereinafter described), (iii) funding a debt service reserve fund for the Bonds and (iv) paying the costs of issuance of the Bonds.

D. The Authority is a public body corporate and politic duly created and existing under laws of the State of Florida and is duly authorized and empowered by Chapter 159, Parts II and III, Florida Statutes, as amended (the “Act”), to provide for the issuance of and to issue and sell its industrial development revenue bonds for the purpose of financing or refinancing all or any part of the “cost” of any “project,” including any “health care facility” (as such terms are defined in the Act), in order to promote and foster the economic growth and development of St. Johns County, Florida (the “County”) and of the State of Florida (the “State”), to increase purchasing power and opportunities for gainful employment, and to advance and improve the prosperity and the welfare of the State and its inhabitants, to improve health care and living conditions within the County, to foster the industrial and business development of the County and to otherwise provide for and contribute to the health, safety and welfare of the people of the State.

E. The Project consists of paying or reimbursing the Hospital for a part of the costs of a capital project consisting of the acquisition, construction, renovation, expansion and installation of certain health care facilities, including the renovation and construction of open heart surgery facilities, the expansion of emergency room facilities, and the acquisition and installation of equipment, fixtures and furnishings, at the Hospital’s existing facilities, located on a portion of the site at 400 Healthpark Boulevard, south of the city limits the City, and to be owned and operated by the Hospital.

F. The Hospital has submitted to the Board of County Commissioners of the County (the “Board”) a copy of Resolution No. 03- adopted by the Authority (the “Bond Resolution”) authorizing the issuance by the Authority of the Bonds for the purposes aforesaid.

G. The Bond Resolution shows that it was duly adopted by the Authority on November 17, 2003, after a public hearing, which public hearing was duly conducted by the Authority on that date upon reasonable public notice, and that at such hearing members of the public were afforded reasonable opportunity to be heard on all matters pertaining to the refunding of the outstanding Series 1992 Bonds, to the location and nature of the Project and to the issuance of the Bonds.

H. By the Bond Resolution, the Authority has recommended and requested that the Board approve the issuance of the Bonds, in order to satisfy the requirements of Section 147(f)(2)(ii) of the Internal Revenue Code of 1986, as amended (together with the Regulations promulgated under such Code, whether proposed, temporary or final, the "Code"), and the requirements of Section 159.47(1)(f) and 125.01(1)(z), Florida Statutes, as amended, all so that the interest on the Bonds will be excluded from gross income for federal income purposes under applicable provisions of the Code.

I. The purposes of the Act will be effectively served, and it is necessary and desirable and in the best interest of the County that, the issuance of the Bonds be approved by the Board.

SECTION 4. APPROVAL OF ISSUANCE OF BONDS. The issuance of the Bonds as contemplated by the Bond Resolution and the documentation attached as exhibits thereto, and the method of sale of the Bonds as provided in the Bond Resolution are hereby approved.

SECTION 5. OTHER ACTION. The officers of the County are hereby authorized and directed to execute and deliver, or approve the execution and delivery of, such other documents and to take or approve the taking of such other actions as may be advised by the County's counsel or Foley & Lardner, Bond Counsel, to be necessary or appropriate in connection with the consummation of the transactions contemplated by this Resolution.

SECTION 6. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflict, are hereby superseded and repealed.

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SECTION 7. EFFECTIVE DATE. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 2nd day of December, 2003.

By *Yara R. Eter*
Chairman of the Board of County
Commissioners of St. Johns
County, Florida

(OFFICIAL SEAL)

ATTEST:

RENDITION DATE 12/2/2003

Cheryl Strickland
Clerk of the Circuit Court,
ex-officio Clerk of the Board
of the County Commissioners
of St. Johns County, Florida

