

RESOLUTION NO. 2006-269

RESOLUTION AMENDING AND SUPPLEMENTING RESOLUTION NO. 89-84 ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, ON APRIL 25, 1989, AS PREVIOUSLY AMENDED AND SUPPLEMENTED; FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE BY THE COUNTY OF NOT EXCEEDING \$49,000,000 PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE AND REFUNDING BONDS, SERIES 2006, FOR THE PURPOSES OF (I) FINANCING A PART OF THE COST OF THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE COUNTY'S WATER AND SEWER SYSTEM, (II) REFUNDING A PORTION OF THE COUNTY'S OUTSTANDING WATER AND SEWER REVENUE AND REFUNDING BONDS, SERIES 1996 (THE "REFUNDED OBLIGATIONS"), (III) PURCHASING A RESERVE ACCOUNT SURETY RELATING TO THE SERIES 2006 BONDS AND (IV) PAYING THE COSTS OF ISSUING THE SERIES 2006 BONDS; PLEDGING TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2006 BONDS THE PLEDGED FUNDS DESCRIBED IN RESOLUTION NO. 89-84; AUTHORIZING A NEGOTIATED SALE AND AWARD OF THE SALE OF THE SERIES 2006 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 2006 BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE SERIES 2006 BONDS; APPOINTING THE REGISTRAR AND PAYING AGENT FOR THE SERIES 2006 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 COMMITMENTS RELATING TO A MUNICIPAL BOND INSURANCE POLICY AND A RESERVE ACCOUNT SURETY WITH RESPECT TO THE SERIES 2006 BONDS; APPOINTING AN ESCROW HOLDER AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT PROVIDING FOR THE PAYMENT OF THE REFUNDED OBLIGATIONS; AMENDING CERTAIN PROVISIONS OF RESOLUTION NO. 89-84 RELATING TO THE REQUIREMENTS FOR THE DELIVERY OF RESERVE ACCOUNT INSURANCE POLICIES; EXPRESSING THE COUNTY'S INTENTION TO BE REIMBURSED FROM THE PROCEEDS OF THE SERIES 2006 BONDS FOR CERTAIN PROJECT COSTS TO BE PAID BY THE COUNTY PRIOR TO THE ISSUANCE OF THE SERIES 2006 BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDERS OF THE SERIES 2006 BONDS; AND PROVIDING AN EFFECTIVE DATE.

TABLE OF CONTENTS

Page No.

ARTICLE 1

GENERAL

SECTION 1.1 Definitions.....	1
SECTION 1.2 Authority for Resolution.....	4
SECTION 1.3 Resolution to Constitute Contract.....	4
SECTION 1.4 Findings.....	4
SECTION 1.5 Authorization of the 2006 Project.....	7
SECTION 1.6 Authorization of Refunding.....	7

ARTICLE 2

AUTHORIZATION, TERMS, EXECUTION
AND REGISTRATION OF SERIES 2006 BONDS

SECTION 2.1 Authorization of Series 2006 Bonds.....	8
SECTION 2.2 Description of Series 2006 Bonds.....	8
SECTION 2.3 Application of Series 2006 Bond Proceeds.....	9
SECTION 2.4 Execution of Series 2006 Bonds.....	10
SECTION 2.5 Book-Entry Only.....	10
SECTION 2.6 Authentication.....	11
SECTION 2.7 Temporary Bonds.....	11
SECTION 2.8 Series 2006 Bonds Mutilated, Destroyed, Stolen or Lost.....	11
SECTION 2.9 Interchangeability, Negotiability and Transfer.....	12
SECTION 2.10 Form of Bonds.....	13

ARTICLE 3

SECURITY, SPECIAL FUNDS AND
APPLICATION THEREOF

SECTION 3.1 Series 2006 Bonds not to be Indebtedness of Issuer.....	22
SECTION 3.2 Security for Series 2006 Bonds.....	22
SECTION 3.3 Additional Security.....	22
SECTION 3.4 Construction Account.....	22
SECTION 3.5 Application of Provisions of Original Instrument.....	24

ARTICLE 4

AMENDMENT

SECTION 4.1 Amendment. 24

ARTICLE 5

MISCELLANEOUS

SECTION 5.1 Ratification of Acceptance of Insurance Commitments. 24
SECTION 5.2 Provisions Relating to Insurers Generally. 25
SECTION 5.3 Provisions Relating to the Bond Insurance Policy for the Series 2006
Bonds. 26
SECTION 5.4 Provisions Relating to the Reserve Account Surety. 31
SECTION 5.5 Sale of the Series 2006 Bonds; Authorization of Execution of Purchase
Contract. 31
SECTION 5.6 Approval of Draft Preliminary Official Statement and Authorization of
Preliminary Official Statement and Final Official Statement. 35
SECTION 5.7 Registrar and Paying Agent; Authorization of Execution and Delivery of
Registrar and Paying Agency Agreement. 35
SECTION 5.8 Escrow Holder; Execution and Delivery of Escrow Deposit Agreement. 35
SECTION 5.9 Authorization of Execution and Delivery of Continuing Disclosure
Certificate. 36
SECTION 5.10 Official Intent. 36
SECTION 5.11 General Authority. 37
SECTION 5.12 Authorization of Execution of Certificates and Other Instruments. 37
SECTION 5.13 No Personal Liability. 37
SECTION 5.14 No Third Party Beneficiaries. 38
SECTION 5.15 Severability of Invalid Provisions. 38
SECTION 5.16 Repeal of Inconsistent Resolutions. 38
SECTION 5.17 Original Instrument in Full Force and Effect. 39
SECTION 5.18 Table of Contents and Headings not Part Hereof. 39
SECTION 5.19 Effective Date. 39

Exhibit A Draft of Preliminary Official Statement
Exhibit B Bond Purchase Agreement
Exhibit C Insurer's Commitments
Exhibit D Consents of Existing Insurers and Notices to Rating Agencies Relating to
Amendment of Original Instrument
Exhibit E Continuing Disclosure Certificate
Exhibit F Registrar and Paying Agency Agreement
Exhibit G Escrow Deposit Agreement

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 Resolution, the terms defined in the Original Instrument (as hereinafter defined) shall have the respective meanings assigned thereto by the Original Instrument and the following terms shall have the following meanings, unless the context clearly otherwise requires:

“Act” shall mean Chapter 125, Part I, Florida Statutes, as amended, St. Johns County Ordinance No 86-89, as amended, and other applicable provisions of law.

“Bond Counsel” shall mean Foley & Lardner LLP, Jacksonville, Florida, bond counsel to the Issuer with respect to the issuance of the Series 2006 Bonds.

“Book-Entry System” shall mean, with respect the Series 2006 Bonds, a form or system, as applicable, under which (1) the ownership of beneficial interest in Series 2006 Bonds and debt service payments on the Series 2006 Bonds may be transferred only through a book entry and (2) physical Series 2006 Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as holder, with the physical Series 2006 Bond certificates “immobilized” in the custody of the Depository.

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

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

“Construction Account” shall mean the special account for payment of the Cost of the 2006 Project, to be established in the Construction Fund pursuant to the Original Instrument and Section 3.4 hereof.

“Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate of the Issuer with respect to the Series 2006 Bonds, substantially in the form on file with the Clerk as Exhibit E and incorporated herein by reference.

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

“Depository” shall mean any Person which acts as a securities depository. The initial Depository for the Series 2006 Bonds shall be The Depository Trust Company.

“Draft Preliminary Official Statement” shall mean the draft preliminary official statement relating to the Series 2006 Bonds, substantially in the form on file with the Clerk as Exhibit A and incorporated herein by reference.

“Escrow Account” shall mean the Escrow Account held for the benefit of the holders of the Refunded Obligations by the Escrow Holder under the Escrow Deposit Agreement.

“Escrow Deposit Agreement” shall mean the Escrow Deposit Agreement to be executed and delivered between the Issuer and the Escrow Holder, substantially in the form on file with the Clerk as Exhibit G and incorporated herein by reference.

“Escrow Holder” shall mean the Escrow Holder appointed pursuant to Section 5.8 of this Resolution.

“Escrow Requirement” shall have the meaning assigned to such term in the Escrow Deposit Agreement.

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

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

“Insurer” shall mean, with respect to the Series 2006 Bonds, Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto.

“Original Instrument” shall mean St. Johns County Resolution No. 89-84 adopted by the Governing Body on April 25, 1989, as amended by St. Johns County Resolution No. 89-189 adopted by the Governing Body on August 9, 1989, St. Johns County Resolution No. 90-61 adopted by the Governing Body on March 27, 1990, St. Johns County Resolution No. 90-208 adopted by the Governing Body on November 14, 1990, St. Johns County Resolution No. 91-113 adopted by the Governing Body on July 23, 1991, St. Johns County Resolution No. 95-87 adopted by the Governing Body on May 9, 1995 and this Resolution.

“Parity Obligations” shall mean the Series 1991A Bonds, the Series 1996 Bonds which do not constitute Refunded Obligations, the Series 1998 Bonds, the Series 1999A Bonds, the Series 2002A Bonds and the Series 2004 Bonds.

“Purchase Contract” shall mean the Bond Purchase Agreement to be executed between the Issuer and the Purchaser, substantially in the form on file with the Clerk as Exhibit B and incorporated herein by reference.

“Purchaser” shall mean collectively RBC Dain Rauscher, Inc., doing business as RBC Capital Markets, and The Frazier Lanier Company Incorporated, the purchasers of the Series 2006 Bonds.

“Refunded Obligations” shall mean the portion of the Series 1996 Bonds to be refunded by the Series 2006 Bonds, to be specified and irrevocably called for redemption in the Escrow Deposit Agreement.

“Registrar and Paying Agency Agreement” shall mean the Registrar and Paying Agency Agreement between the Issuer and the Registrar and Paying Agent, substantially in the form on file with the Clerk as Exhibit F and incorporated herein by reference.

“Registrar and Paying Agent” shall mean the Person designated as such pursuant to Section 5.7 hereof and its successors and assigns.

“Reserve Account Surety” shall mean the Municipal Bond Debt Service Reserve Insurance Policy issued by the Insurer in connection with the issuance of the Series 2006 Bonds guaranteeing certain payments into the Debt Service Fund with respect to the Bonds (other than the Series 1991A Bonds and the Series 1998 Bonds).

“Resolution” and “this Resolution” shall mean this instrument, as the same may from time to time be amended, modified or supplemented.

“Series 1991A Bonds” shall mean the Issuer’s outstanding Water and Sewer Revenue Bonds, Series 1991A, issued pursuant to the Original Instrument.

“Series 1996 Bonds” shall mean the Issuer’s outstanding Water and Sewer Revenue and Refunding Bonds, Series 1996, issued pursuant to the Original Instrument.

“Series 1998 Bonds” shall mean the Issuer’s outstanding Water and Sewer Revenue Refunding Bonds, Series 1998, issued pursuant to the Original Instrument.

“Series 1999A Bonds” shall mean the Issuer’s outstanding Water and Sewer Revenue Refunding Bonds, Series 1999A, issued pursuant to the Original Instrument.

“Series 2002A Bonds” shall mean the Issuer’s outstanding Water and Sewer Revenue Refunding Bonds, Series 2002A, issued pursuant to the Original Instrument.

“Series 2004 Bonds” shall mean the Issuer’s outstanding Water and Sewer Revenue Bonds, Series 2004, issued pursuant to the Original Instrument.

“Series 2006 Bonds” shall mean the Water and Sewer Revenue and Refunding Bonds, Series 2006, authorized to be issued by the Issuer pursuant to Section 2.1 hereof.

“Subordinated Indebtedness” shall mean the Issuer’s outstanding loan (the “State Loan”) under that certain State Revolving Fund Loan Agreement dated June 27, 1994, as amended and restated on September 12, 1995, as further amended on July 18, 1997 and October 22, 1998 (the “State Loan Agreement”), between the Issuer and the State of Florida Department of Environmental Protection (the “State Department”).

“2006 Project” shall mean the acquisition, construction and installation of additions, extensions and improvements to the System, including but not limited to (i) the acquisition, construction and installation of a new wastewater treatment facility to be located in the northwest portion of the County, (ii) the acquisition, construction and installation of improvements to the Anastasia Island wastewater treatment facility, (iii) the acquisition, construction and installation of a new administration building and three steel buildings for operational, maintenance and warehouse activities, and related site improvements and parking, (iv) the acquisition, construction and installation of improvements to the County Road 214 water treatment plant well field and (v) the acquisition and installation of improvements to the Northwest water treatment plant, all as more particularly described in accordance with certain plans on file or to be on file

with the Issuer, with such changes, deletions, additions or modifications to the enumerated improvements, equipment and facilities or such other improvements, equipment and facilities for the System as shall be designated and approved by the County Administrator or his or her designee in accordance with applicable law. The 2006 Project is hereby determined by the Issuer to be an Additional Project.

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

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

SECTION 1.2 Authority for Resolution.

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

SECTION 1.3 Resolution to Constitute Contract.

In consideration of the purchase and acceptance of any or all of the Series 2006 Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Series 2006 Bonds and shall be a part of the contract of the Issuer with any Credit Bank and any Insurer that pertains to the Series 2006 Bonds. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Series 2006 Bonds and for the benefit, protection and security of any Credit Bank and any Insurer insuring the Series 2006 Bonds. All of the Series 2006 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 2006 Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.4 Findings.

It is hereby ascertained, determined and declared as follows:

(A) The Issuer presently owns and operates a water and sewer system for the health, benefit and welfare of its citizen and inhabitants, and it is in the best interest of the Issuer and said citizens and inhabitants that the Issuer acquire and construct the 2006 Project and finance all or a portion of the costs of such acquisition and construction through the issuance of the Series 2006 Bonds in the manner herein provided.

(B) The Issuer has heretofore issued and has presently outstanding and unpaid the Refunded Obligations.

(C) The Issuer deems it necessary, desirable and in the best financial interest of the Issuer that the Refunded Obligations be refunded in order to effectuate interest cost savings and a reduction in the debt service applicable to bonded indebtedness in the manner

hereinafter provided. Simultaneously with the issuance of the Series 2006 Bonds, subject to Sections 2.1 and 5.5 hereof, a sufficient portion of the proceeds of the Series 2006 Bonds and other funds available will be paid by the Issuer to the Escrow Holder for deposit by the Escrow Holder into the Escrow Account established pursuant to the Escrow Deposit Agreement, to effectuate the refunding and defeasance of the Refunded Obligations by providing for the outstanding principal of, premium, if any, and accrued interest on the Refunded Obligations as provided in the Escrow Deposit Agreement.

(D) The Issuer deems it necessary, desirable and in the best interests of the Issuer that the issuance of the Series 2006 Bonds be authorized as provided herein for the purpose of financing a part of the Cost of the 2006 Project and refunding the Refunded Obligations.

(E) 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 2006 Bonds. No part of the Pledged Funds shall be pledged or encumbered in any manner, except that the Pledged Funds have been pledged as security for the Parity Obligations and the Refunded Obligations, and except that the Pledged Funds have been pledged as security for the Subordinated Indebtedness. In connection with the Series 1991A Bonds, the Issuer has not heretofore levied any Assessments, on its own behalf or as the governing body of a municipal service benefit unit, against the lots and parcels of real property specially benefited by the capital project financed with the proceeds of the Series 1991A Bonds as permitted under the Original Instrument. Accordingly, no Assessments are pledged to the payment of the principal of and interest on the Parity Obligations.

(F) The Original Instrument, in Section 5.02 thereof, provides for the issuance of Additional Bonds payable from the Pledged Funds on a parity with the Parity Obligations under the terms, limitations and conditions provided therein. The Issuer will issue the Series 2006 Bonds as Additional Bonds within the authorization contained in Section 5.02 of the Original Instrument. The Series 2006 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. Prior to the issuance of the Series 2006 Bonds, the Issuer will receive the written consent of the State of Florida Department of Environmental Protection (the "State Department") in accordance with Section 7.02 of the State Loan Agreement that the lien on the Pledged Funds in favor of the Series 2006 Bonds will be superior to the lien thereon in favor of the State Loan.

(G) No Bondholder shall ever be entitled to compel the payment of the principal of and interest on the Series 2006 Bonds or any other payments provided for in this Resolution from any funds or revenues of the Issuer other than the sources herein provided in accordance with the terms hereof, nor will any Bondholder or any Credit Bank or any Insurer have the right to compel the exercise of the ad valorem taxing power of the Issuer to pay the principal of or interest on the Series 2006 Bonds or to make any other payments provided for in this Resolution, and the Series 2006 Bonds shall not constitute a lien upon the System or any other property of the Issuer or any other property situated within its territorial limits, except the Pledged Funds.

(H) The Issuer has received from the Insurer its commitments to provide a Bond Insurance Policy and the Reserve Account Surety with respect to the Series 2006 Bonds,

copies of which commitments are on file with the Clerk as Exhibit C and incorporated herein by reference; on behalf of the Issuer, Ben W. Adams, Jr., its County Administrator, accepted the Insurer's commitments; and it is in the best financial interest of the Issuer that the Issuer ratify such acceptance of said commitments.

(I) The Governing Body is advised that due to the present volatility of the market for tax-exempt public obligations such as the Series 2006 Bonds, it is in the best interest of the Issuer to sell the Series 2006 Bonds by a negotiated sale, allowing the Issuer to enter such market at the most advantageous time, rather than at a specified advertised future date, thereby permitting the Issuer to obtain the best possible price, interest rate and other terms for the Series 2006 Bonds and, accordingly, the Governing Body does hereby find and determine that it is in the best financial interest of the Issuer that a negotiated sale of the Series 2006 Bonds be authorized.

(J) The Purchaser has verbally agreed with the Governing Body to use its reasonable efforts to submit to the Issuer an offer to purchase the Series 2006 Bonds in the form of the Purchase Contract upon terms acceptable to the Governing Body as hereinafter authorized, and the Governing Body does hereby find and determine that it is in the best financial interest of the Issuer to accept the offer of the Purchaser to purchase the Series 2006 Bonds at a negotiated sale and to authorize the execution and delivery of the Purchase Contract in the manner and upon the terms hereinafter provided; and upon the execution of the Purchase Contract by the Issuer and the Purchaser, the Series 2006 Bonds shall be sold to the Purchaser pursuant to the terms and provisions of the Purchase Contract.

(K) The Issuer is advised that because the terms of the Series 2006 Bonds cannot be determined on the date of adoption of this Resolution, it is in the best interest of the Issuer to delegate the authority to determine, in accordance with Sections 2.1, 2.2 and 5.5 of this Resolution, the terms of the Series 2006 Bonds, including their date, Amortization Installments, maturity dates, interest rates and redemption provisions, to the Chairman or the County Administrator in the manner hereinafter provided.

(L) It is appropriate that the Issuer approve and confirm the distribution of a preliminary official statement for the purpose of acquainting potential investors with pertinent information with respect to the Issuer and the Series 2006 Bonds and that the Issuer 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 2006 Bonds. For this purpose, it is appropriate that the Draft Preliminary Official Statement be approved and confirmed and that preparation and distribution of a preliminary official statement and a final official statement be authorized in substantially the form of the Draft Preliminary Official Statement, the final form thereof to be approved by the Chairman or the County Administrator at any time at or prior to the issuance of the Series 2006 Bonds.

(M) It is necessary and appropriate that the Issuer appoint a Registrar and Paying Agent for the Series 2006 Bonds. In order to provide for the services of a Registrar and Paying Agent for the Series 2006 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.

(N) 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.

(O) In order to carry out the refunding of the Refunded Obligations, it is necessary and appropriate that the Issuer authorize the execution and delivery of the Escrow Deposit Agreement between the Issuer and the Escrow Holder in the manner hereinafter provided.

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

(Q) The Issuer desires to amend Section 4.06(A)(2)(d) of the Original Instrument as set forth herein in order to more efficiently and economically accommodate the issuance of Additional Bonds. In accordance with Section 7.03 of the Original Instrument, the Issuer has received written consents to such amendment from Ambac Assurance Corporation, Financial Guaranty Insurance Company, Financial Security Assurance Inc. and MBIA Insurance Corporation, the insurers of the Parity Obligations, and notice of such amendment has been sent to Standard & Poor's and Moody's Investors Service at least fifteen (15) days prior to the adoption of this resolution, copies of which consents and notices are on file with the Clerk as Exhibit D and incorporated herein by reference.

SECTION 1.5 Authorization of the 2006 Project.

The acquisition, construction and installation of the 2006 Project in the manner herein provided is hereby authorized.

SECTION 1.6 Authorization of Refunding.

The refunding of the Refunded Obligations in the manner herein provided is hereby authorized. Simultaneously with the delivery of the Series 2006 Bonds to the Purchaser and receipt of the purchase price thereof, subject to Sections 2.1 and 5.5 hereof, the Issuer will enter into the Escrow Deposit Agreement with the Escrow Holder. At the time the Escrow Deposit Agreement is executed, the Issuer will furnish to the Escrow Holder appropriate documentation to demonstrate that the sum being deposited with the Escrow Holder pursuant to this Resolution, together with other funds deposited into the Escrow Account pursuant to the provisions of the Escrow Deposit Agreement, shall be equal to the Escrow Requirement and that such moneys and the investments to be made pursuant to the Escrow Deposit Agreement will be sufficient to produce the moneys required to make all payments described in the Escrow Deposit Agreement for the full and complete refunding and defeasance of the Refunded Obligations.

ARTICLE 2

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF SERIES 2006 BONDS

SECTION 2.1 Authorization of Series 2006 Bonds.

The Issuer hereby authorizes the issuance of Bonds of the Issuer to be designated as “St. Johns County, Florida, Water and Sewer Revenue and Refunding Bonds, Series 2006,” in an aggregate principal amount not to exceed \$49,000,000 for the principal purpose of (i) financing a part of the Cost of the 2006 Project, (ii) refunding the Refunded Obligations, (iii) purchasing the Reserve Account Surety and (iv) paying the costs of issuing the Series 2006 Bonds. Notwithstanding anything to the contrary contained herein, the portion of the Series 2006 Bonds to be issued for the purpose of refunding the Refunded Obligations shall not be issued unless the minimum net present value savings specified in Section 5.5 hereof shall be achieved in connection with the sale of the Series 2006 Bonds. In the event the Series 2006 Bonds are not issued for the purpose of refunding the Refunded Obligations, the Bonds shall be designated as “St. Johns County, Florida, Water and Sewer Revenue Bonds, Series 2006.”

SECTION 2.2 Description of Series 2006 Bonds.

The Series 2006 Bonds 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 of \$5,000; and shall bear interest at the rates, not exceeding the maximum rate permitted by law (calculated on the basis of a 360-day year of twelve 30-day months), payable on June 1 and December 1 in each year, commencing on such date, shall mature on June 1 in such years not exceeding forty (40) years from their date, shall be dated such date, shall have such redemption provisions, and shall have such other terms as are provided herein and in the Purchase Contract.

The principal of or Redemption Price, if applicable, on the Series 2006 Bonds is payable only upon presentation and surrender of the Series 2006 Bonds at the office of the Paying Agent. Interest payable on any Series 2006 Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any Series 2006 Bond is not punctually paid or duly provided for by the Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten (10) days preceding such special record date. All payments of principal of and Redemption Price, if applicable, and interest on the Series 2006 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 of any of the Series 2006 Bonds, whether at fixed maturity, or otherwise (deposit of moneys and/or Securities for the payment of the principal and interest on such Series 2006 Bonds having been made by the Issuer with the Paying Agent), notwithstanding that any of such Series 2006 Bonds shall not have been surrendered for cancellation, no further interest shall accrue upon the principal or upon the interest which shall have accrued and shall then be due on such date, and such Series 2006 Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the Holders shall have no rights in respect of such Series 2006 Bonds except to receive payment of such principal and unpaid interest accrued to the maturity date.

Redemption of the Series 2006 Bonds shall be in accordance with and governed by the provisions of Article III of the Original Instrument.

SECTION 2.3 Application of Series 2006 Bond Proceeds.

The proceeds derived from the sale of the Series 2006 Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Series 2006 Bonds to the Purchaser, be applied by the Issuer as follows:

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

(B) An amount shall be deposited in the Reserve Account which, together with any moneys and securities on deposit therein and any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit obtained in accordance with Section 4.06(A)(2)(d) of the Original Instrument, shall equal the Reserve Account Requirement.

(C) A sum which, together with other funds deposited in the Escrow Account pursuant to the provisions of the Escrow Deposit Agreement, shall equal the Escrow Requirement, shall be deposited with the Escrow Holder under the Escrow Deposit Agreement and applied only in the manner provided in the Escrow Deposit Agreement.

(D) The Issuer covenants and agrees to establish a separate account with an Authorized Depository to be known as the "St. Johns County Water and Sewer Revenue and Refunding Bonds, Series 2006, Costs of Issuance Account," which shall be used only for payment of the costs and expenses described in this subsection. Such moneys shall be in an amount sufficient to pay all of the costs and expenses in connection with the preparation, issuance and sale of the Series 2006 Bonds, including fees of financial advisors, engineering and other consulting fees, legal fees, bond insurance premiums, printing fees, rating agency fees and all other similar costs and all such costs and expenses shall be promptly paid by the Issuer from said account to the Persons respectively entitled to receive the same. When all moneys on deposit to the credit of said account shall have been disbursed by the Issuer for the payment of such costs and expenses, said account shall be closed; provided, however, that if any balance shall remain in said account six months after issuance of the Series 2006 Bonds, such moneys shall be transferred by the Issuer to the Construction Account and the special account created pursuant to this subsection shall be closed. After said account shall be closed, the Issuer may pay from the Construction Account any unpaid issuance expenses.

(E) The balance of the Series 2006 Bonds proceeds shall be deposited by the Issuer in the Construction Account.

SECTION 2.4 Execution of Series 2006 Bonds.

The Series 2006 Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Chairman or any other member of the Governing Body whose signature shall have been filed with the Florida Department of State pursuant to Section 116.34, Florida Statutes, as amended, and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk or a deputy clerk. In case any one or more of the officers who shall have signed or sealed any of the Series 2006 Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Series 2006 Bonds so signed and sealed have been actually sold and delivered such Series 2006 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2006 Bonds had not ceased to hold such office. Any Series 2006 Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2006 Bond shall hold the proper office of the Issuer, although at the date of such Series 2006 Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Series 2006 Bonds shall be actually sold and delivered.

SECTION 2.5 Book-Entry Only.

A Depository may act as securities depository for the Series 2006 Bonds. The ownership of one fully-registered, certificated Series 2006 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 2006 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 2006 Bonds, delivered or transmitted to the Depository or its authorized representative when due, and (ii) in the case of interest on the Series 2006 Bonds, delivered or transmitted on any date interest is due to the Depository or nominee that was the Holder of that Series 2006 Bond (or one or more predecessor Series 2006 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 2006 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 2006 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 2006 Bonds. The purchasers of beneficial ownership interests in the Series 2006 Bonds (the "Beneficial Owners"), upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Series 2006 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 Resolution; or (iv) any consent given or other action taken by the Depository as Holder.

SECTION 2.6 Authentication.

No Series 2006 Bond shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Series 2006 Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Series 2006 Bond shall be conclusive evidence that such Series 2006 Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.10 hereof.

SECTION 2.7 Temporary Bonds.

Until the definitive Series 2006 Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 2.4 hereof, and deliver, upon authentication by the Registrar pursuant to Section 2.6 hereof, in lieu of definitive Series 2006 Bonds, but subject to the same provisions, limitations and conditions as the definitive Series 2006 Bonds, except as to the denominations thereof, one or more temporary Series 2006 Bonds substantially of the tenor of the definitive Series 2006 Bonds in lieu of which such temporary Series 2006 Bond or Bonds are issued, in denominations approved by the officers of the Issuer who shall execute such temporary Series 2006 Bond or Bonds, and with such omissions, insertions and variations as may be appropriate to temporary Series 2006 Bonds. The Issuer, at its own expense, shall prepare and execute definitive Series 2006 Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Series 2006 Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Series 2006 Bonds, of the same aggregate principal amount and Series and maturity as the temporary Series 2006 Bonds surrendered. Until so exchanged, the temporary Series 2006 Bonds shall in all respects be entitled to the same benefits and security as definitive Series 2006 Bonds issued pursuant to this Resolution. All temporary Series 2006 Bonds surrendered in exchange for another temporary Series 2006 Bond or Bonds or for a definitive Series 2006 Bond or Bonds shall be forthwith canceled by the Registrar.

SECTION 2.8 Series 2006 Bonds Mutilated, Destroyed, Stolen or Lost.

In case any Series 2006 Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Series 2006 Bond of like tenor as the Series 2006 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2006 Bond upon surrender and cancellation of such mutilated Series 2006 Bond or in lieu of and substitution for the Series 2006 Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Series 2006 Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Series 2006 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2006 Bond, the Issuer may pay the same or cause the Series 2006 Bond to be paid, upon being indemnified as aforesaid, and if such Series 2006 Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2006 Bonds issued pursuant to this 0 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Series 2006 Bond be at any time found by anyone, and such duplicate Series 2006 Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Series 2006 Bonds issued hereunder and shall be entitled to the same benefits and security as the Series 2006 Bond so lost, stolen or destroyed.

SECTION 2.9 Interchangeability, Negotiability and Transfer

Series 2006 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2006 Bonds of the same Series and maturity of any other authorized denominations.

The Series 2006 Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, subject to the provisions for registration and transfer contained in this Resolution and in the Series 2006 Bonds. So long as any of the Series 2006 Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2006 Bonds.

Each Series 2006 Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Series 2006 Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Series 2006 Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Series 2006 Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Series 2006 Bond shall be registered upon the books of the Issuer as the absolute

owner of such Series 2006 Bond, whether such Series 2006 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Redemption Price, if applicable, and interest on such Series 2006 Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Series 2006 Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in the event it is not also the Paying Agent for the Series 2006 Bonds, shall forthwith (a) following the fifteenth day of the calendar month next preceding an interest payment date for the Series 2006 Bonds, (b) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Series 1996 Bonds, or (c) at any other time as reasonably requested by the Paying Agent of the Series 2006 Bonds, certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Series 2006 Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Series 2006 Bonds or transferring Series 2006 Bonds is exercised, the Issuer shall execute and the Registrar shall authenticate and deliver such Series 2006 Bonds in accordance with the provisions of this Resolution. Execution of Series 2006 Bonds, by the officers of the Issuer described in Section 2.4 above, for purposes of exchanging, replacing or transferring Series 2006 Bonds may occur at the time of the original delivery of the Series 2006 Bonds. All Series 2006 Bonds surrendered in any such exchanges or transfers shall be canceled by the Registrar. For every such exchange or transfer of Series 2006 Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of any Series 2006 Bonds which shall have been selected for redemption or of any Series 2006 Bonds during the fifteen (15) days next preceding an Interest Date on the Series 2006 Bonds, or in the case of any proposed redemption of Series 2006 Bonds, during the fifteen (15) days next preceding the date of selection of Series 2006 Bonds to be redeemed.

SECTION 2.10 Form of Bonds.

Except for Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution of the Governing Body, the Series 2006 Bonds shall be in substantially the following forms with such omissions, insertions and variations as may be necessary and/or desirable and approved by the officers of the Issuer described in Section 2.4 above, prior to the issuance thereof (which necessity and/or desirability and approval shall be evidenced conclusively by the Issuer's delivery of the Series 2006 Bonds to the Purchaser):

No. R- _____

\$

UNITED STATES OF AMERICA
STATE OF FLORIDA
ST. JOHNS COUNTY
WATER AND SEWER REVENUE AND REFUNDING BOND
SERIES 2006

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____ %	June 1, 20__	_____, 2006	_____

Registered Holder:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that St. Johns County, a political subdivision created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the sources of payment hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, the Principal Amount identified above on the Maturity Date identified above and interest (calculated on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above, on June 1 and December 1 of each year commencing December 1, 2006, until such Principal Amount shall have been paid or provided for, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount, premium, if any, 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 and premium, if any, are payable upon presentation and surrender hereof, at the designated corporate trust office of Commerce Bank, National Association, Jacksonville, Florida, 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 Commerce Bank, National Association, Jacksonville, Florida, 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 issued in the aggregate principal amount of \$_____ (the "Bonds"). The Bonds are of like tenor and effect, except as to maturity date, interest rate, denomination and number. The Bonds are issuable in fully registered form in the denominations of \$5,000 or any integral multiple thereof.

The Bonds are issued to (i) finance all or a part of the cost of the acquisition, construction and installation of certain additions, extensions and improvements to the System (as described below), (ii) refund a portion of the Issuer's outstanding Water and Sewer Revenue and Refunding Bonds, Series 1996, (iii) purchase a reserve account surety relating to the Bonds and (iv) pay the costs of issuing the Bonds, 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, other applicable provisions of law, St. Johns County Ordinance No. 86-89, as amended and supplemented, and Resolution No. 89-84 duly adopted by the Board of County Commissioners of the Issuer on April 25, 1989, as amended and supplemented, particularly as amended and supplemented by Resolution No. 2006-___ adopted by said Board on August 8, 2006 (the "Resolution"), and are subject to all the terms and conditions of the Resolution.

The principal of and interest on this bond are payable solely from and secured by a prior lien upon and a pledge of (1) the Net Revenues (as defined in the Resolution) of the water and sewer system of the Issuer (the "System," as defined in the Resolution), (2) certain Connection Charges (as defined in the Resolution) to the extent provided in the Resolution and (3) until applied in accordance with the provisions of the Resolution, the proceeds of the Bonds, all moneys and investments thereof in certain of the funds and accounts established pursuant to the Resolution and the earnings on such investments (collectively, the "Pledged Funds"), all in the manner and to the extent described in the Resolution. It is expressly agreed by the Registered Holder of this bond that the full faith and credit of the Issuer is not pledged to the payment of the principal of or premium, if any, or interest on this bond and that the Registered Holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer to the payment of such principal, premium, if any, and interest. This bond and the obligation evidenced hereby shall not constitute a lien upon the System or 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.

The Bonds are payable on a parity, equally and ratably, from the Pledged Funds with the Issuer's outstanding Water and Sewer Revenue Bonds, Series 1991A, Water and Sewer Revenue and Refunding Bonds, Series 1996 (which are not being refunded with proceeds of the Series 2006 Bonds), Water and Sewer Revenue Refunding Bonds, Series 1998, Water and Sewer Revenue Refunding Bonds, Series 1999A, Water and Sewer Revenue Refunding Bonds, Series 2002A, and Water and Sewer Revenue Bonds, Series 2004.

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 maturing prior to _____, 20__, shall not be subject to redemption prior to maturity. The Bonds maturing on _____, 20__, or thereafter may be redeemed prior to maturity at the option of the Issuer, as a whole on _____, 20__, or on any date thereafter, or

in part, from such maturity or maturities as the Issuer shall designate and by lot within a maturity, on _____, 20__, or on any date thereafter, at the following redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) plus accrued interest to the redemption date, if redeemed during the following periods:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
_____ through _____	%
_____ through _____	
_____ and thereafter	

The Bonds maturing _____, 20__, are subject to mandatory redemption in part prior to maturity by lot at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, beginning on _____, 20__ and on each _____ thereafter in the years and in the principal amounts corresponding to the Amortization Installments (as defined in the Resolution) as follows:

<u>Year</u>	<u>Amortization</u> <u>Installment</u>
-------------	---

*(maturity)

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

This bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, prescribed in the

Resolution. 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 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 for each maturity 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 is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

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

IN WITNESS WHEREOF, St. Johns County, Florida, has issued this bond and has caused the same to be executed by the manual or facsimile signature of the Chairman of its Board of County Commissioners and attested and countersigned by the manual or facsimile signature of the Clerk of said Board and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the ___ day of _____, 2006.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By: _____
Chairman of the Board of
County Commissioners

ATTESTED AND COUNTERSIGNED:

Clerk of the 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:
_____, 2006

Commerce Bank, National Association,
Registrar

By _____
Authorized Signatory

STATEMENT OF INSURANCE

Financial Security Assurance Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy and its municipal bond debt service reserve insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to Commerce Bank, National Association, Jacksonville, Florida, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Financial Security or the Paying Agent.

LEGAL OPINION

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

Clerk of the Board of County Commissioners

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

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

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

UNIF TRANS MIN ACT - _____
(Cust.)

Custodian for _____

under Uniform Transfer to Minors Act of _____
(State)

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

ASSIGNMENT

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

Insert Social Security or Other
Identifying Number of Assignee

(Names 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

SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 3.1 Series 2006 Bonds not to be Indebtedness of Issuer.

The Series 2006 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds in accordance with the terms of this Resolution and the Original Instrument. No Holder of any Series 2006 Bond or any Credit Bank or any Insurer shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer to pay such Series 2006 Bond or be entitled to payment of such Series 2006 Bond from any moneys or property of the Issuer except the Pledged Funds in the manner provided herein and in the Original Instrument.

SECTION 3.2 Security for Series 2006 Bonds.

The payment of the principal of or Redemption Price, if applicable, and interest on the Series 2006 Bonds shall be secured forthwith equally and ratably by a pledge of and prior 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 2006 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 or Redemption Price, if any, and interest on the Series 2006 Bonds in the manner provided in this Resolution and the Original Instrument. The Series 2006 Bonds are payable from the Pledged Funds on a parity, equally and ratably, with the Parity Obligations.

SECTION 3.3 Additional Security.

Anything herein to the contrary notwithstanding, however, the Series 2006 Bonds will be payable from and secured by a Bond Insurance Policy of the Insurer, and the Issuer may cause the Series 2006 Bonds to be payable from and secured by a Credit Facility or any other insurance policy of an Insurer not applicable to any one or more other Series of Bonds, as shall be provided by Supplemental Resolution of the Governing Body, in addition to the security of the Pledged Funds provided herein.

SECTION 3.4 Construction Account.

The Issuer covenants and agrees to establish a separate account within the Construction Fund, which shall be used only for payment of the Cost of the 2006 Project. Moneys in such Construction Account, until applied in payment of any item of the Cost of the 2006 Project in the manner hereinafter provided, shall be held in trust by the Issuer and shall be subject to a lien and charge in favor of the Holders of the Series 2006 Bonds and for the further security of such Holders.

There shall be paid into such Construction Account the amounts required to be so paid by the provisions of this Resolution, and there may be paid into the Construction Account, at the option of the Issuer, any moneys received for or in connection with the 2006 Project by the Issuer from any other source.

The proceeds of insurance against, physical loss of or damage to the 2006 Project, or of contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the Construction Account.

The Issuer covenants that the acquisition and construction of the 2006 Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the Construction Account to pay items of the Cost of the 2006 Project upon the filing with the Clerk of documents and/or certificates signed by an Authorized Issuer Officer stating with respect to each disbursement or payment to be made: (1) the item number of the payment, (2) the name and address of the Person to whom payment is due, (3) the amount to be paid, (4) that the Construction Account is the proper Construction Fund account from which payment is to be made, (5) the purpose, by general classification, for which payment is to be made, and (6) that (A) each obligation, item of cost or expense mentioned therein has been properly incurred, is in payment of a part of the Cost of the 2006 Project and is a proper charge against the Construction Account and has not been the basis of any previous disbursement or payment, or (B) each obligation, item of cost or expense mentioned therein has been paid by the Issuer prior to or subsequent to issuance of the Series 2006 Bonds, is a reimbursement of a part of the Cost of the 2006 Project, is a proper charge against the Construction Account, has not been theretofore reimbursed to the Issuer or otherwise been the basis of any previous disbursement or payment and the Issuer is entitled to reimbursement thereof. The Clerk shall retain all such documents and/or certificates of the Authorized Issuer Officers for five (5) years from the dates of such documents and/or certificates. The Clerk shall make available the documents and/or certificates at all reasonable times for inspection by any Holder of any of the Series 2006 Bonds or the agent or representative of any Holder of any of the Series 2006 Bonds.

The date of completion of the 2006 Project shall be determined by the Authorized Issuer Officer who shall certify such fact in writing to the Governing Body. Promptly after the date of the completion of the 2006 Project, and after paying or making provisions for the payment of all unpaid items of the Cost thereof, the Issuer shall deposit in the following order of priority any balance of moneys remaining in the Construction Account in (1) another account of the Construction Fund for which the Authorized Issuer Officer has stated that there are insufficient moneys on deposit to pay in full the Cost of the project for which such account is maintained, (2) the Reserve Account, to the extent of a deficiency therein, (3) the Debt Service Fund, to the extent of a deficiency therein, and (4) any other fund or account of the Issuer designated by the Governing Body provided that the Issuer has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds from gross income for federal income tax purposes

SECTION 3.5 Application of Provisions of Original Instrument.

The Series 2006 Bonds shall for all purposes be considered to be Additional Bonds issued under the authority of Section 5.02 of the Original Instrument and shall be entitled to all the protection and security provided in and by the Original Instrument for the Parity Obligations, and the Series 2006 Bonds shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Obligations. The covenants and pledges contained in Articles IV, V, VI and VII of the Original Instrument and in Sections 8.01 and 8.02 of Article VIII thereof shall be applicable to the Series 2006 Bonds in like manner as applicable to the Parity Obligations. The principal of or Redemption Price, if any, and interest on the Series 2006 Bonds shall be payable from the Debt Service Fund established by the Original Instrument on a parity with the Parity Obligations, and deposits shall be made into the Debt Service Fund by the Issuer in amounts fully sufficient to pay the principal of or Redemption Price, if any, and interest on the Series 2006 Bonds and on the Parity Obligations as such principal and interest become due. The Reserve Account established by the Original Instrument shall be applicable pro rata to the Series 2006 Bonds in the same manner as applicable to the Parity Obligations.

ARTICLE 4

AMENDMENT

SECTION 4.1 Amendment. The last paragraph of Section 4.06(A)(2)(d) of the Original Instrument is hereby amended and restated in its entirety to read as follows (additions indicated by double underline):

“Prior to deposit in the Reserve Account, any Reserve Account Letter of Credit or Reserve Account Insurance Policy shall be approved in writing by any Insurer or Credit Bank and shall conform to such additional or different restrictions as such Insurer or Credit Bank shall reasonably require. Notwithstanding the foregoing, the approval of any Insurer or Credit Bank shall not be required for a proposed Reserve Account Insurance Policy if the Insurer of the proposed Reserve Account Insurance Policy is an entity licensed to issue an insurance policy guarantying the timely payment of debt service on instruments such as Additional Bonds with a claims paying ability rating of ‘AAA’ or ‘Aaa’ by Standard & Poor’s or Moody’s Investors Service, respectively.”

ARTICLE 5

MISCELLANEOUS

SECTION 5.1 Ratification of Acceptance of Insurance Commitments.

The Issuer hereby ratifies the acceptance of the Insurer’s commitments to provide a Bond Insurance Policy with respect to the Series 2006 Bonds and the Reserve Account Surety, copies of which commitments are on file with the Clerk as Exhibit C and incorporated herein by

reference. The Insurer is hereby designated as the Insurer for the Series 2006 Bonds; and as the Insurer for the Series 2006 Bonds, the Insurer shall have the same rights to receive notices, grant consents and direct actions as the Insurers of the Parity Obligations. The Reserve Account Surety shall be in the amount specified therein. Such amount, together with the other amounts on deposit in or credited to the Reserve Account, shall equal not less than the Reserve Account Requirement. Such amount may equal an amount which, together with the other amounts on deposit in or credited to the Reserve Account, is greater than the Reserve Account Requirement in order to comply with the terms of the Insurer's commitments.

SECTION 5.2 Provisions Relating to Insurers Generally.

Notwithstanding any other provisions of this Resolution to the contrary, the following provisions shall apply with respect to the Bonds the scheduled payment of the principal of and interest on which is insured by a Bond Insurance Policy:

(A) Except as otherwise provided in paragraph (D) below, and notwithstanding the terms of Section 7.02 of the Original Instrument, an Insurer shall be deemed to be the sole Holder of each Bond insured by it for purposes of exercising any voting right or privilege or giving any consent to the execution and delivery of any supplemental resolution or ordinance or any amendment, supplement or change to or modification of this Resolution and direction, approval or the taking of any other action that the Bondholders whose Bonds are insured by such Insurer are entitled to take pursuant hereto.

(B) Except as otherwise provided in paragraph (D) below, upon the occurrence and continuance of an event of default, an Insurer shall be deemed to be the sole Holder of each Bond insured by it for purposes of directing the enforcement and exercising of rights and remedies granted to the Bondholders under this Resolution, and such Insurer shall also be entitled to approve all waivers of events of default with respect to Bonds insured by the Insurer. Notwithstanding the foregoing, however, any notices of events of default hereunder required to be sent to Bondholders shall be sent to Bondholders as well as each Insurer.

(C) In the event that the principal and/or interest due on Bonds insured by an Insurer shall be paid by such Insurer pursuant to its Bond Insurance Policy, such 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 Holders thereof shall continue to exist and shall run to the benefit of such Insurer and the Insurer shall be subrogated to the rights of such Holders in accordance with the Bond Insurance Policy.

(D) Notwithstanding any other provision contained in this Section 5.2 or elsewhere in this Resolution to the contrary:

(1) If an Insurer shall be in default in the due and punctual performance of its payment obligations under its Bond Insurance Policy or if such policy for whatever reason is not then enforceable and in full force and effect; or

(2) If an Insurer shall apply for or consent to the appointment of a receiver, custodian, trustee or liquidator of such Insurer or of all or a substantial part of its assets,

or shall admit in writing its inability, or be generally unable, to pay its debts as such debts become due, or shall make a general assignment for the benefit of its creditors, or commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect) or shall file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or shall fail to consent in a timely and appropriate manner, or acquiesce in writing to, any other petition filed against such Insurer in any involuntary case under said Federal Bankruptcy Code, or shall take any other action for the purpose of effecting the foregoing; or

(3) If a proceeding or case shall be commenced without the application or consent of an Insurer, in any court of competent jurisdiction seeking the liquidation, reorganization, dissolution, winding up or composition or readjustment of debts of such Insurer or the appointment of a trustee, receiver, custodian, or liquidator or the like of the Insurer or of all or a substantial part of its assets, or similar relief with respect to the Insurer under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such proceeding or case shall continue undismissed and an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed in effect for a period of sixty (60) days from the commencement of such proceedings or case, or any order for relief against the Insurer shall be entered in an involuntary case under said Federal Bankruptcy Code;

then and in any such event such Insurer shall not be entitled to any rights specifically granted to it herein to consent to, approve or participate in any actions proposed to be taken by the Issuer, a Bondholder or any of them pursuant to this Resolution or to receive any notices or other documents or instruments.

(E) The Issuer hereby acknowledges that the issuer of the Bond Insurance Policy shall be deemed a third-party beneficiary of this Resolution for the purpose of enforcing the terms, conditions and obligations of this Resolution which benefit the issuer of such Bond Insurance Policy.

SECTION 5.3 Provisions Relating to the Bond Insurance Policy for the Series 2006 Bonds.

Notwithstanding any provision to the contrary contained herein, the following provisions shall apply so long as the Bond Insurance Policy with respect to the Series 2006 Bonds issued by the Insurer shall be in full force and effect:

(A) Notwithstanding anything to the contrary set forth in the Original Instrument, amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service on the Bonds (amounts in excess of the Reserve Account Requirement shall be applied as set forth in Section 4.06 of the Original Instrument).

(B) No grace period for a covenant default shall exceed 30 days, nor be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(C) No modification, amendment or supplement to this Resolution or any other transaction document associated with the Series 2006 Bonds (each a "Related Document") which requires the consent of the Bondholders or adversely affects the rights and interests of the Insurer may become effective except upon obtaining the prior written consent of the Insurer.

(D) Unless the Insurer otherwise directs, upon the occurrence and continuation of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of principal of, redemption price, if any, and interest on the Bonds.

(E) Copies of any modification or amendment to this Resolution or any other Related Document shall be sent to Standard & Poor's, a Division of The McGraw-Hill Companies ("Standard & Poor's") and Moody's Investors Service, Inc. ("Moody's Investors Service") at least 10 days prior to the effective date thereof.

(F) The rights granted to the Insurer under this Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Bond Insurance Policy for the Series 2006 Bonds. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit of the Bondholders nor does such action evidence any position of the Insurer, affirmative or negative, as to whether Bondholder consent is required in addition to consent of the Insurer.

(G) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by Standard & Poor's and Moody's Investors Service, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of Standard & Poor's or any combination thereof, shall be authorized to be used to effect defeasance of the Series 2006 Bonds unless the Insurer otherwise approves.

To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Series 2006 Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2006 Bonds are no longer Outstanding under this Resolution, and (iv) if there is a trustee (the "Trustee") for the Series 2006 Bonds, a certificate or discharge of the Trustee with respect to the Series 2006 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Trustee, if any, and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

The Series 2006 Bonds shall be deemed "Outstanding" under this Resolution unless and until they are in fact paid and retired or the above criteria are met.

(H) Amounts paid by the Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of this Resolution and shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with this Resolution. This Resolution shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(I) The Issuer covenants and agrees to take such action as is necessary from time to time to perfect or otherwise preserve the priority of the pledge of the Pledged Funds under applicable law.

(J) If, on the third business day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit in the Debt Service Fund, after making all transfers required under this Resolution, moneys sufficient to pay the principal of and interest on the Series 2006 Bonds due on such Payment Date, the Issuer shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such business day. If, on the second business day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2006 Bonds due on such Payment Date, the Issuer or the Paying Agent shall make a claim under the Bond Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2006 Bonds and the amount required to pay principal of the Series 2006 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second business day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

The Registrar and Paying Agent shall designate any portion of payment of principal on Series 2006 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2006 Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2006 Bond to the Insurer, registered in the name of Financial Security Assurance Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Registrar and Paying Agent's failure to so designate any payment or issue any replacement Series 2006 Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Series 2006 Bond or the subrogation rights of the Insurer under Section 5.2(C) hereof. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Insurer solely from Pledged Funds (i) a sum equal to the total of all amounts paid by the Insurer under the Bond Insurance Policy (the "Insurer Advances") and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is

announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2006 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. The Issuer hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Funds and the Debt Service Fund and payable from such Pledged Funds and Debt Service Fund on a parity with debt service due on the Series 2006 Bonds.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal paid in respect of any Series 2006 Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Bond Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to the Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2006 Bonds under the sections hereof regarding payment of Series 2006 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any cost, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Insurer.

(K) The Insurer shall, to the extent it makes any payment of principal or (or, in the case of Capital Appreciation Bonds, accreted value) or interest on the Series 2006 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. The obligations to the Insurer shall survive discharge or termination of the Related Documents.

(L) The Issuer, solely from the Pledged Funds, shall pay or reimburse the Insurer any and all charges, fees, costs and expenses which the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document, (ii) the pursuit of any remedies under this Resolution or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Resolution or any other Related Document whether or not executed or completed, (iv) the violation by the Issuer of any law, rule

or regulation, or any judgment, order or decree applicable to it or (v) any litigation or other dispute in connection with this Resolution or any other Related Document or the transactions contemplated thereby, other than amounts resulting from the failure of the Insurer to honor its obligations under the Bond Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Resolution or any other Related Document.

(M) After payment of reasonable expenses of the Paying Agent, the application of Pledged Funds realized upon default shall be applied to payment of expenses of the Issuer or rebate only after the payment of debt service due and past due on the Series 2006 Bonds and amounts required to restore the Reserve Account to the Reserve Account Requirement.

(N) The Insurer shall be entitled to pay principal (or, in the case of Capital Appreciation Bonds, accreted value) or interest on the Series 2006 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) in accordance with this Resolution, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(O) The notice address of the Insurer is: Financial Security Assurance Inc., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance; Re: Policy No. _____, Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(P) The Insurer shall be provided with the following information:

(1) Annual audited financial statements within 150 days after the end of the Issuer’s fiscal year (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Original Instrument) and the Issuer’s annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(2) Notice of any draw upon the Reserve Account within two business days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Account Requirement and (ii) withdrawals in connection with a refunding of any Bonds;

(3) Notice of any default known to the Issuer within five business days after knowledge thereof;

(4) Prior notice of the advance refunding or redemption of any of the Series 2006 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(5) Notice of the resignation or removal of the Paying Agent and Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(6) Notice of the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(7) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2006 Bonds;

(8) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Related Documents; and

(9) All reports, notices and correspondence to be delivered under the terms of the Related Documents.

(Q) Notwithstanding satisfaction of other conditions to the issuance of Additional Bonds contained in this Resolution, no such issuance may occur (1) should any Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) have occurred and be continuing unless such default shall be cured upon such issuance, and (2) unless the Reserve Account is fully funded at its requirement upon the issuance of such Additional Bonds in either case unless otherwise permitted by the Insurer.

(R) In determining whether any amendment, consent or other action to be taken, or any failure to act, under the Resolution would adversely affect the security for the Series 2006 Bonds or the rights of the Bondholders, the Issuer should consider the effect of any such amendment, consent, action or inaction as if there were no Bond Insurance Policy.

(S) No contract shall be entered into nor any action taken by which the rights of the Insurer or security for or sources of payment of the Series 2006 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(T) There shall be delivered to the Insurer prior to the issuance and delivery of the Series 2006 Bonds, an opinion of bond counsel addressed to the Insurer (or a reliance letter thereto) to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Obligations shall have occurred.

SECTION 5.4 Provisions Relating to the Reserve Account Surety.

Notwithstanding any provision to the contrary contained herein, the following provisions shall apply so long the Reserve Account Surety shall be in full force and effect:

(A) The Issuer, solely from the Pledged Funds in the manner provided in the Original Instrument, shall repay any draws under the Reserve Account Surety and pay all related reasonable expenses incurred by the Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Insurer at the Late Payment Rate. "Late Payment

Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2006 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Account Surety will be increased by a like amount, subject to the terms of the Reserve Account Surety.

All cash and investments in the Reserve Account shall be transferred to the Principal Account, the Interest Account and/or the Bond Amortization Account of the Debt Service Fund for payment of debt service then due on the Bonds before any drawing may be made on any Reserve Account Insurance Policy or Reserve Account Letter of Credit. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Reserve Account Letters of Credit and Reserve Account Insurance Policies (including the Reserve Account Surety) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account; provided, however, that (i) if a Reserve Account Letter of Credit or Reserve Account Insurance Policy secures only a particular Series of Bonds, the proceeds of draws on such Reserve Account Letter of Credit or Reserve Account Insurance Policy shall be applied exclusively to the payment of debt service on such Series of Bonds and not applied on a pro-rata basis to the payment of debt service on all Series of Bonds, and (ii) the aggregate proceeds of such draws on the Reserve Account Letter of Credit and the Reserve Account Insurance Policy shall be sufficient to pay all debt service then due on the Bonds (to the extent of coverage available thereunder). Payment of Policy Costs and payment or reimbursement of amounts with respect to other Reserve Account Letters of Credit and Reserve Account Insurance Policies shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account.

(B) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (A) above, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided hereunder, other than (i) acceleration of the maturity of the Series 2006 Bonds or (ii) remedies which would adversely affect owners of the Series 2006 Bonds.

(C) This Resolution shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Series 2006 Bonds.

(D) Additional Bonds may only be issued pursuant to Section 5.02 of the Original Instrument if the certificate delivered pursuant to Section 5.02(B) of the Original Instrument demonstrates that Net Revenues shall be sufficient to pay Policy Costs in accordance with the provisions of (A) above.

(E) The Paying Agent shall ascertain the necessity for a claim upon the Reserve Account Surety and to provide notice to the Insurer in accordance with the terms of the Reserve Account Surety at least five business days prior to each date upon which interest or principal is due on the Series 2006 Bonds. Where deposits are required to be made by the Issuer with the Paying Agent to the Interest Account, Principal Account, and Bond Amortization Account for the Series 2006 Bonds more often than semi-annually, the Paying Agent shall be instructed to give notice to the Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(F) In order to secure the Issuer's payment obligations with respect to the Policy Costs, there shall be granted and perfected in favor of the Insurer a security interest (subordinate only to that of the owners of the Series 2006 Bonds, and on a parity with similar security interests granted to other providers of Reserve Account Insurance Policies or Reserve Account Letters of Credit) in all revenues and collateral pledged as security for the Series 2006 Bonds.

SECTION 5.5 Sale of the Series 2006 Bonds; Authorization of Execution of Purchase Contract.

A negotiated sale of the Series 2006 Bonds is hereby authorized. The Chairman or the County Administrator is hereby authorized and directed to award the sale of the Series 2006 Bonds to the Purchaser in an aggregate principal amount which shall not exceed \$49,000,000 (the "Maximum Principal Amount"), at an aggregate purchase price (excluding any original issue discount or premium) of not less than 99.4% of the original principal amount of such Series 2006 Bonds (the "Minimum Purchase Price"), as approved by the Chairman or the County Administrator, provided that the following conditions and parameters (the "Parameters") are met: the true interest cost of the Series 2006 Bonds shall not exceed 5.5%; the final maturity of the Series 2006 Bonds shall not be later than June 1, 2036; the Series 2006 Bonds shall be subject to redemption prior to their stated maturities not later than June 1, 2017; the Purchase Contract shall contain a provision to the effect that, prior to the issuance of the Series 2006 Bonds, the Issuer shall have received the consent of the State Department described in Section 1.4(F) hereof; the costs of issuance shall be comparable to or less than the current average issuance cost for bonds of similar tenor and amount; the Insurer's commitments to provide a Bond Insurance Policy and a Reserve Account Surety with respect to the Series 2006 Bonds shall be in effect; and, if the Issuer elects to refund the Refunded Obligations with the Series 2006 Bonds, the net present value of the savings, after payment of all issuance expenses and costs, which shall result from the issuance of the portion of the Series 2006 Bonds which is attributable to the refunding of the

Refunded Obligations shall not be less than 2.5% of the principal amount of the Refunded Obligations.

The proposed form of the Purchase Contract presented by the Purchaser, 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, is hereby approved; such necessity and/or desirability and approval by the Chairman or the County Administrator to be presumed by the Chairman's or the County Administrator's execution thereof; the Chairman or the County Administrator is hereby authorized to accept the offer of the Purchaser to purchase the Series 2006 Bonds in an aggregate principal amount not to exceed the Maximum Principal Amount, 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 deliver the Purchase Contract in the form approved by such person 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 2006 Bonds meet and are within the Parameters.

The Series 2006 Bonds shall be dated such date, shall bear interest at such rates, 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 and the County Administrator as herein provided, with the Chairman's or the County Administrator's 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 by the Issuer, the Purchaser shall include in or attach to the Purchase Contract the disclosure statements required by Section 218.385, 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 2006 Bonds, the financing of the Cost of the 2006 Project and the refunding of the Refunded Obligations in accordance with the provisions of the Original Instrument, this Resolution and the Purchase Contract.

Authority for the issuance of such aggregate principal amount of the Series 2006 Bonds herein authorized which shall not be hereafter delivered to the Purchaser pursuant to the provisions of the Purchase Contract is hereby cancelled and rescinded.

Notwithstanding the foregoing, in the event the Purchase Contract is not executed and delivered by the Issuer and the Purchaser on or before November 30, 2006, the Chairman's and the County Administrator's authority to award the sale of the Series 2006 Bonds to the Purchaser and to execute the Purchase Contract for and on behalf of the Issuer pursuant to the terms hereof shall be automatically terminated on November 30, 2006.

SECTION 5.6 Approval of Draft Preliminary Official Statement and Authorization of Preliminary Official Statement and Final 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 on file with the Clerk as Exhibit A 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 Purchaser for distribution 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 Purchaser. 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 Purchaser for distribution at or prior to the issuance and delivery of the Series 2006 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 the State Board of Administration of the State of Florida a copy of the final official statement, a notice of the impending sale of the Series 2006 Bonds and the other information required by Section 218.38, Florida Statutes, as amended, within the appropriate time periods specified by such section.

SECTION 5.7 Registrar and Paying Agent; Authorization of Execution and Delivery of Registrar and Paying Agency Agreement.

Commerce Bank, National Association, Jacksonville, Florida, is hereby appointed Registrar and Paying Agent for the Series 2006 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 or the County Administrator, such approval to be evidenced conclusively by the Chairman's or the County Administrator execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman or the County Administrator to execute the Registrar and Paying Agency Agreement and to deliver the same to the Registrar and Paying Agent for the Series 2006 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 2006 Bonds, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 5.8 Escrow Holder; Execution and Delivery of Escrow Deposit Agreement.

Commerce Bank, National Association, Jacksonville, Florida, is hereby appointed Escrow Holder for the Series 2006 Bonds. The Escrow Deposit Agreement, with such omissions,

insertions and variations as may be approved on behalf of the Issuer by the Chairman or the County Administrator, such approval to be evidenced conclusively by the Chairman's or the County Administrator execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman or the County Administrator to execute the Escrow Deposit Agreement and to deliver the same to the Escrow Holder for the Series 2006 Bonds. All of the provisions of the Escrow Deposit Agreement, when executed, dated and delivered by or on behalf of the Issuer as authorized herein and by or on behalf of the Escrow Holder for the Series 2006 Bonds, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 5.9 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 or the County Administrator, such approval to be evidenced conclusively by the Chairman's or the County Administrator's execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman or the County Administrator 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 2006 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 5.9. For purposes of this Section 5.9, "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 2006 Bonds (including persons holding Series 2006 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2006 Bonds for federal income tax purposes.

SECTION 5.10 Official Intent.

The Issuer expects to incur capital expenditures aggregating approximately \$65,996,933 for the 2006 Project of which approximately \$35,670,311 are expected to be paid or reimbursed with proceeds of the Series 2006 Bonds. Funds for the 2006 Project will be provided on an interim basis from existing cash resources by the Issuer (the "Temporary Advances"). Pursuant to the budgetary and financial policies and practices of the Issuer, the Temporary Advances are not available to fund the 2006 Project on a long-term basis. It is reasonably expected that the 2006 Project will be financed on a long-term basis with the proceeds of the Series 2006 Bonds and other sources. Except for any architectural, engineering and similar preliminary

expenditures, this Resolution is being adopted prior to or within 60 days after payment of the capital expenditures to be reimbursed.

The Issuer hereby declares its official intent for the purposes of Section 1.150-2 of the Treasury Regulations, as follows: it is reasonably expected that (a) Temporary Advances for capital expenditures relating to the 2006 Project will be reimbursed, in whole or in part, from the proceeds of the Series 2006 Bonds; (b) the aggregate principal amount of the Series 2006 Bonds to be issued to finance a portion of the costs of the 2006 Project will not exceed \$41,000,000 (which includes allowances for financing costs and original issue discount); and (c) such reimbursement from the proceeds of the Series 2006 Bonds shall occur within 18 months following the later of (i) the date the capital expenditure to be reimbursed was paid, or (ii) the date on which the 2006 Project is placed in service, but no later than three years after the date of such capital expenditure.

SECTION 5.11 General Authority.

The members of the Governing Body and the Issuer's officers, attorneys and other agents and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2006 Bonds and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be reasonably required by Bond Counsel or the Purchaser to effectuate the sale and delivery of the Series 2006 Bonds.

SECTION 5.12 Authorization of Execution of Certificates and Other Instruments.

The Chairman and the County Administrator are 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 2006 Bonds, and to execute and deliver such other instruments as shall be necessary or desirable to perform the Issuer's obligations under the Original Instrument, this Resolution and the Purchase Contract and to consummate the transactions contemplated hereby and thereby. The Chairman and the County Administrator are authorized to execute such other agreements as may be required by the Insurer, Moody's Investors Service, Standard & Poor's or Fitch, Inc. 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.

SECTION 5.13 No Personal Liability.

No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Series 2006 Bonds, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Series 2006 Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the Governing Body, officer, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Series 2006 Bonds, or any certificate or other instrument to be executed in

connection with the issuance of the Series 2006 Bonds, shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 5.14 No Third Party Beneficiaries.

Except such other Persons as may be expressly described herein or in the Series 2006 Bonds, nothing in this Resolution, or in the Series 2006 Bonds, expressed or implied, is intended or shall be construed to confer upon any Person other than the Issuer, the Insurer and the Holders any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Series 2006 Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Insurer and the Persons who shall from time to time be the Holders.

SECTION 5.15 Severability of Invalid Provisions.

If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Series 2006 Bonds.

SECTION 5.16 Repeal of Inconsistent Resolutions.

All other resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 5.17 Original Instrument in Full Force and Effect.

Except as hereby amended and supplemented, the Original Instrument shall remain in full force and effect.

SECTION 5.18 Table of Contents and Headings not Part Hereof.

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

[Remainder of page intentionally left blank.]

SECTION 5.19 Effective Date.

This Resolution shall become effective immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 8th day of August, 2006.

BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA

By: *James E. Bryant*
Its Chairman

(OFFICIAL SEAL)

RENDITION : 8/8/2006

ATTEST:

Robin L. Platt
Deputy 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. 2006-269 of said County passed and adopted on August 8, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said County this 8th day of August, 2006.

Cheryl Strickland
Clerk of the Board of County Commissioners

(OFFICIAL SEAL)



LIST OF EXHIBITS

The following Exhibits are on file with the Clerk:

- Exhibit A Draft of Preliminary Official Statement
- Exhibit B Bond Purchase Agreement
- Exhibit C Insurer's Commitments
- Exhibit D Consents of Existing Insurers and Notices to Rating Agencies Relating to
Amendment of Original Instrument
- Exhibit E Continuing Disclosure Certificate
- Exhibit F Registrar and Paying Agency Agreement
- Exhibit G Escrow Deposit Agreement