

• RESOLUTION NO. 2009-176

A RESOLUTION FURTHER SUPPLEMENTING RESOLUTION NO. 86-132 ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, ON SEPTEMBER 30, 1986, AS PREVIOUSLY AMENDED AND SUPPLEMENTED; PROVIDING FOR REFUNDING OF THE COUNTY'S OUTSTANDING SALES TAX REVENUE REFUNDING BONDS, SERIES 1998; AUTHORIZING THE ISSUANCE BY THE COUNTY OF NOT EXCEEDING \$12,000,000 AGGREGATE PRINCIPAL AMOUNT OF SALES TAX REVENUE REFUNDING BONDS, SERIES 2009A, TO FINANCE SUCH REFUNDING; PLEDGING THE LOCAL GOVERNMENT HALF-CENT SALES TAX TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID SERIES 2009A BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID SERIES 2009A BONDS; ENTERING INTO CERTAIN COVENANTS AND AGREEMENTS WITH THE HOLDERS OF SAID SERIES 2009A BONDS; RATIFYING THE COUNTY'S ACCEPTANCE OF THE INSURER'S COMMITMENTS RELATING TO A POLICY AND A RESERVE INSTRUMENT WITH RESPECT TO SAID SERIES 2009A BONDS; AUTHORIZING A NEGOTIATED SALE AND AWARD OF THE SALE OF SAID SERIES 2009A BONDS; APPROVING THE CONDITIONS AND CRITERIA FOR SUCH SALE AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT WITH RESPECT TO SAID SERIES 2009A BONDS; APPROVING A PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO SAID SERIES 2009A BONDS AND AUTHORIZING A FINAL OFFICIAL STATEMENT WITH RESPECT THERETO; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; APPOINTING THE REGISTRAR AND PAYING AGENT FOR SAID SERIES 2009A BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT RELATING TO THE REFUNDING OF SAID SERIES 1998 BONDS; APPOINTING THE ESCROW AGENT UNDER SAID ESCROW DEPOSIT AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I GENERAL.....	1
Section 1.1 Definitions.....	1
Section 1.2 Authority for this Instrument	3
Section 1.3 Findings.....	3
Section 1.4 Authorization of Refunding; Refunding of Refunded Bonds	5
ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION.....	6
Section 2.1 Authorization of Series 2009A Bonds	6
Section 2.2 Description of Series 2009A Bonds.....	6
Section 2.3 Payment of Series 2009A Bonds	6
Section 2.4 Redemption of Series 2009A Bonds.....	7
Section 2.5 Book-Entry Only.....	8
Section 2.6 Execution of Series 2009A Bonds	9
Section 2.7 Negotiability, Registration, Transfer and Exchange.....	10
Section 2.8 Series 2009A Bonds Mutilated, Destroyed, Stolen or Lost.....	11
Section 2.9 Form of Series 2009A Bonds.....	11
ARTICLE III COVENANTS, SPECIAL FUNDS AND APPLICATION THEREOF	18
Section 3.1 Series 2009A Bonds Not to Be General Indebtedness of Issuer.....	18
Section 3.2 Security for Series 2009A Bonds.....	18
Section 3.3 Application of Series 2009A Bond Proceeds.....	18
Section 3.4 Covenants of the Issuer.....	19
ARTICLE IV MISCELLANEOUS PROVISIONS.....	21
Section 4.1 Defeasance	21
Section 4.2 Modification or Amendment.....	22
Section 4.3 Ratification of Acceptance of Insurance Commitments	22
Section 4.4 Insurer ,.....	22
Section 4.5 Sale of the Series 2009A Bonds: Authorization of Execution of Purchase Contract	29
Section 4.6 Approval of Draft Preliminary Official Statement and Authorization of Preliminary Official Statement and Final Official Statement	31

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Section 4.7	Registrar and Paying Agent; Escrow Agent 31
Section 4.8	General Authority 31
Section 4.9	Authorization of Execution of Certificates and Other Instruments..... 32
Section 4.10	No Personal Liability 32
Section 4.11	No Third Party Beneficiaries 32
Section 4.12	Severability of Invalid Provisions..... 32
Section 4.13	Repeal of Inconsistent Resolutions..... 32
Section 4.14	Original Instrument in Full Force and Effect..... 33
Section 4.15	Table of Contents and Heading not Part Hereof..... 33
Section 4.16	Effective Date 33
Exhibit A	Draft Preliminary Official Statement
Exhibit B	Form of Bond Purchase Agreement
Exhibit C	Insurer's Commitments
Exhibit D	Form of Continuing Disclosure Certificate
Exhibit E	Form of Escrow Deposit Agreement

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

ARTICLE I

GENERAL

Section 1.1 Definitions. When used in this Instrument, the terms defined in the Original Instrument, unless defined in this section, shall have the respective meanings assigned thereto by the Original Instrument, and the following terms shall have the following meanings, unless the text clearly otherwise requires:

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

“Bond Register” shall mean the registration books kept by the Registrar for the purpose of registering ownership of the Series 2009A Bonds.

“Book Entry Form” or “Book Entry System” shall mean, with respect to the Series 2009A Bonds, a form or system, as applicable, under which (1) the ownership of beneficial interests in the Series 2009A Bonds and debt service payments on the Series 2009A Bonds may be transferred only through a book entry system and (2) physical Series 2009A Bond certificates in fully-registered form are registered only in the name of a Depository or its nominee as Holder, with the physical Series 2009A Bond certificates “immobilized” in the custody of the Depository.

“Depository” shall mean any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of beneficial interests in the Series 2009A Bonds, and to effect transfers of the Series 2009A Bonds, in Book Entry Form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Draft Preliminary Official Statement” shall mean the draft preliminary official statement relating to the Series 2009A Bonds, substantially in the form on file with the Clerk as Exhibit A hereto and incorporated herein by this reference.

“Escrow Agent” shall mean the Escrow Agent appointed pursuant to Section 4.7 of this Instrument.

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

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

“Federal Securities” shall mean direct obligations of the United States of America and obligations the principal of and interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor.

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

“Holder” shall mean the person in whose name any outstanding Series 2009A Bond is registered according to the Bond Register.

“Insurer” shall mean, with respect to the Series 2009A Bonds, Assured Guaranty Corp., a Maryland corporation, or any successor or assignee thereto.

“Instrument” shall mean this resolution and all resolutions amendatory hereof which may be hereafter duly adopted by the Issuer.

“Local Government Half-cent Sales Tax” shall mean all moneys now or hereafter allocated to the Issuer from the Local Government Half-cent Sales Tax Clearing Trust Fund pursuant to the provisions of Part VI, Chapter 218, Florida Statutes, as amended.

“Moody’s Investors Service” shall mean Moody’s Investors Service, and any assigns or successors thereto.

“1989 Resolution” shall mean Resolution No. 89-143 adopted by the Board on June 27, 1989, as amended and supplemented by Resolution No. 89-247 adopted by the Board on October 24, 1989 and Resolution No. 2004-198 adopted by the Board on July 27, 2004.

“Original Instrument” shall mean Resolution No. 86-132 adopted by the Board on September 30, 1986, as previously amended and supplemented, particularly as supplemented by the 1989 Resolution.

“Parity Obligations” shall mean, collectively, the Issuer’s outstanding Sales Tax Revenue Refunding Bonds, Series 2002, the Issuer’s outstanding Sales Tax Revenue Bonds, Series 2004A and Series 2004B, the Issuer’s outstanding Sales Tax Revenue Bonds, Series 2006, and the Issuer’s outstanding Sales Tax Revenue and Refunding Bond, Series 2009.

“Policy” shall mean the financial guaranty insurance policy to be issued by the Insurer with respect to the Series 2009A 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 hereto and incorporated herein by this reference.

“Purchaser” shall mean Raymond James & Associates, Inc.

“Refunded Bonds” shall mean all of the Issuer’s outstanding Sales Tax Revenue Refunding Bonds, Series 1998, dated as of May 15, 1998.

“Registrar” shall mean any bank or trust company herein or hereafter duly appointed by resolution of the Issuer to serve as Registrar with respect to the Series 2009A Bonds.

“Reserve Account” shall mean the separate account referred to herein and in the Original Instrument and established pursuant to Section 3.05 of the 1989 Resolution.

“Reserve Account Requirement” shall have the meaning assigned to such term in the 1989 Resolution.

“Reserve Instrument” shall have the meaning assigned to such term in the 1989 Resolution.

“Reserve Instrument Agreement” shall mean the Reimbursement Agreement attached to the commitment of the Insurer relating to the Reserve Instrument for the Series 2009A Bonds.

“S & P” shall mean Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., and any assigns and successors thereto.

“Series 2009A Bonds” shall mean the obligations of the Issuer authorized to be issued pursuant to Section 2.1 of this Instrument.

“Surety Bond” shall mean the Reserve Instrument to be issued by the Insurer guaranteeing certain payments into the Sinking Fund with respect to the Series 2009A Bonds as provided therein and subject to the provisions therein.

Section 1.2 Authority for this Instrument. This Instrument is adopted pursuant to the provisions of the Act, Section 3.06(E) of the Original Instrument and other applicable provisions of law and supplements the Original Instrument.

Section 1.3 Findings. It is hereby found and determined that:

(A) The Issuer has heretofore issued and has presently outstanding and unpaid the Refunded Bonds. The Issuer deems it necessary, desirable and in the best financial interest of the Issuer that the Refunded Bonds be refunded in order to effectuate interest cost savings and a reduction in the debt service applicable to bonded indebtedness. Simultaneously with the issuance of the Series 2009A Bonds, a sufficient portion of the proceeds of the Series 2009A Bonds and other funds available will be paid by the Issuer to the Escrow Agent for deposit by the Escrow Agent into the Escrow Account established pursuant to the Escrow Deposit Agreement, to effectuate the refunding and defeasance of the Refunded Bonds by providing for the payment of the principal of, premium, if any, and interest on the Refunded Bonds as provided in the Escrow Deposit Agreement.

(B) The Issuer deems it necessary and desirable to pledge the Pledged Funds to the payment of the principal of and interest on the Series 2009A Bonds. No part of the Pledged Funds has been pledged or hypothecated to any obligations of the Issuer other than the Series 2009A Bonds, except that the Pledged Funds have been pledged also to the payment of the principal of and interest on the Parity Obligations and the Refunded Bonds. The Original

Instrument, in Section 3.06(E) thereof, provides for the issuance of additional obligations of the Issuer on a parity with the Parity Obligations under the terms, limitations and conditions provided therein; and the Issuer will issue the Series 2009A Bonds as additional parity obligations within the authorization contained in Section 3.06(E) of the Original Instrument. The Series 2009A 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 (except to the extent that a Reserve Instrument may be available to pay debt service for a particular series of Bonds), with the Parity Obligations. Except as otherwise provided herein, each and every provision of the Original Instrument shall be applicable to the Series 2009A Bonds to the same extent as it is applicable to the Parity Obligations.

(C) This Instrument is declared to be and shall constitute a contract between the Issuer and the Holders; and the covenants and agreements herein set forth to be performed by the Issuer are and shall be for the equal benefit, protection and security of all of the Holders, all of which shall be of equal rank and without preference, priority or distinction of any of the Series 2009A Bonds over any other, except as hereinafter provided.

(D) The Issuer is not, under this Instrument, obligated to levy any ad valorem taxes on any real or personal property situated within St. Johns County to pay the principal of or interest on the Series 2009A Bonds. The Series 2009A Bonds shall not constitute a lien upon any property of the Issuer or situated within St. Johns County.

(E) The Issuer has received from the Insurer its commitments to provide the Policy and a Reserve Instrument with respect to the Series 2009A Bonds, copies of which commitments are on file with the Clerk as Exhibit C hereto and incorporated herein by this reference; pursuant to Section 3.05 of the 1989 Resolution, as of the date of adoption of this Instrument, the consent of the insurers of the Parity Obligations with respect to such Reserve Instrument is not required because the Insurer is currently a Highest Rated Reserve Instrument Provider (as defined in the 1989 Resolution); on behalf of the Issuer, Michael D. Wanchick, 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.

(F) The Board is advised that due to the present volatility of the market for tax-exempt public obligations such as the Series 2009A Bonds, it is in the best interest of the Issuer to sell the Series 2009A 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 2009A Bonds and, accordingly, the Board does hereby find and determine that it is in the best financial interest of the Issuer that a negotiated sale of the Series 2009A Bonds be authorized.

(G) The Purchaser has verbally agreed with the Board to use its reasonable efforts to submit to the Issuer an offer to purchase the Series 2009A Bonds in the form of the Purchase Contract upon terms acceptable to the Board as hereinafter authorized, and the Board does hereby find and determine that it is in the best financial interest of the Issuer to accept the offer of the Purchaser to purchase the Series 2009A 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 2009A Bonds shall be sold to the Purchaser pursuant to the terms and provisions of the Purchase Contract.

(H) The Issuer is advised that because the terms of the Series 2009A Bonds cannot be determined on the date of adoption of this Instrument, it is in the best interest of the Issuer to delegate the authority to determine, in accordance with Sections 2.2 and 4.5 of this Instrument, the terms of the Series 2009A Bonds, including their date, Amortization Installments (if any), maturity dates and interest rates, to the Chair of the Board (the "Chair") or the County Administrator in the manner hereinafter provided.

(I) The terms of the Series 2009A Bonds hereinafter authorized are more favorable to the Issuer than the terms of the Refunded Bonds and it is advantageous to the Issuer to issue the Series 2009A Bonds in the manner and upon the terms hereinafter provided.

(J) It is appropriate 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 2009A Bonds. For this purpose, it is appropriate that the distribution of the preliminary official statement and a final official statement be authorized in substantially the form of the Draft Preliminary Official Statement on file with the Clerk as Exhibit A hereto and incorporated herein by reference, the final form thereof to be approved by the Chair or Vice-Chair of the Board (the "Vice Chair") at any time at or prior to the issuance of the Series 2009A Bonds.

(K) It is necessary and appropriate that the Issuer appoint a Registrar and paying agent for the Series 2009A Bonds, and the institution hereinafter named is acceptable to the Issuer; and it appears to the Board that the same is qualified to serve as Registrar and paying agent for the Series 2009A Bonds in accordance with the terms hereof.

(L) In order to carry out the refunding described herein, it is necessary and appropriate that the Issuer authorize the execution and delivery of the Escrow Deposit Agreement between the Issuer and the Escrow Agent. It is necessary and appropriate that the Issuer appoint an escrow agent to serve as such under the Escrow Deposit Agreement, and the institution hereinafter named is acceptable to the Issuer; and it appears to the Board that the same is qualified to serve as Escrow Agent under the Escrow Deposit Agreement in accordance with the terms of the Escrow Deposit Agreement.

Section 1.4 Authorization of Refunding; Refunding of Refunded Bonds. The refunding of the Refunded Bonds in the manner herein provided is hereby authorized. Simultaneously with the delivery of the Series 2009A Bonds to the purchaser or purchasers thereof, the Issuer will enter into the Escrow Deposit Agreement with the Escrow Agent. At the time the Escrow Deposit Agreement is executed, the Issuer will furnish to the Escrow Agent appropriate documentation to demonstrate that the sum being deposited with the Escrow Agent pursuant to this Instrument, 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 Bonds.

Effective upon and subject to the execution and delivery of the Escrow Deposit Agreement and the issuance of the Series 2009A Bonds, the Issuer (A) does hereby call all Refunded Bonds for redemption on the date specified in the Escrow Deposit Agreement, at the redemption price specified in the Escrow Deposit Agreement, plus accrued interest to the redemption date, and (B) does hereby give irrevocable instructions to the registrar for the Refunded Bonds, to give notice of such call for redemption in the manner provided in the resolution of the Issuer pursuant to which the Refunded Bonds were issued.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION

Section 2.1 Authorization of Series 2009A Bonds. Subject and pursuant to the provisions of this Instrument and the Original Instrument, obligations of the Issuer to be known as "Sales Tax Revenue Refunding Bonds, Series 2009A" are hereby authorized to be issued in an aggregate principal amount not exceeding \$12,000,000 for the purpose of financing the refunding of the Refunded Bonds, paying the premiums for the Policy and for a Reserve Instrument for the Series 2009A Bonds and paying certain costs of issuance incurred with respect to the Series 2009A Bonds.

Section 2.2 Description of Series 2009A Bonds. The Series 2009A Bonds (i) shall be issued as fully registered Series 2009A Bonds; (ii) shall be numbered consecutively from one upward in order of maturity preceded by the letter "R"; (iii) shall be in denominations of \$5,000 and integral multiples of \$5,000; (iv) 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 April 1 and October 1 in each year, commencing on such date as provided in the Purchase Contract; and (v) shall mature on October 1 in such years not later than October 1, 2019, shall be dated such date, shall contain such mandatory redemption provisions (if any), and shall have such other terms all as are provided herein and in the Purchase Contract.

Section 2.3 Payment of Series 2009A Bonds. The Series 2009A Bonds shall be payable as to both principal and interest at such place or places as is provided in the form of the Series 2009A Bonds set out in Section 2.9 hereof, in lawful money of the United States of America, and shall bear interest from the date of issue.

From and after any maturity date or any date fixed for redemption as designated in any notice given pursuant to Section 2.4 hereof (deposit of moneys for the payment of the principal or redemption price of and/or interest on such Series 2009A Bonds having been made by the Issuer and notice of redemption having been given to the extent required hereunder), notwithstanding that any of such Series 2009A Bonds shall not have been surrendered for payment and cancellation, no further interest shall accrue upon the principal of such Series 2009A Bonds after such date, no interest shall accrue upon the interest which shall have accrued

and shall then be due on such date, and such Series 2009A Bonds shall cease to be entitled to any lien, benefit or security under this Instrument, and the Holders shall have no rights in respect of such Series 2009A Bonds except to receive, but solely from legally available revenues derived from sources other than ad valorem taxation, payment of such principal or the redemption price thereof and unpaid interest accrued to the due date or redemption date.

Section 2.4 Redemption of Series 2009A Bonds. Unless waived by any Holder of Series 2009A Bonds to be redeemed, notice of any redemption made pursuant to this Instrument shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail, postage prepaid at least 30 days and not more than 60 days prior to the date fixed for redemption to each Holder of Series 2009A Bonds to be redeemed at the address of such Holder shown on the Bond Register, or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to this section to any Holder of Series 2009A Bonds to be redeemed nor failure to give such notice to any such Holder nor failure of any such Holder to receive such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Series 2009A Bonds to be redeemed.

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

- (1) the redemption date,
- (2) the redemption price,
- (3) the maturity date and the principal amount of each Series 2009A Bond to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Series 2009A Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) that such Series 2009A Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the redemption price at the principal office of the Registrar,
- (6) the date of issue of the Series 2009A Bonds as originally issued,
- (7) the rate of interest borne by each Series 2009A Bond to be redeemed,
- (8) the maturity date of each Series 2009A Bond to be redeemed,
- (9) the CUSIP numbers of the Series 2009A Bonds to be redeemed, and

- (10) any other descriptive information needed to identify accurately the Series 2009A Bonds being redeemed.

On or prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of the portion of the Series 2009A Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid and the deposit with the paying agent of the redemption price, the portion of the Series 2009A 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 portion of the Series 2009A Bonds shall cease to bear interest. Upon surrender of such Series 2009A Bonds for redemption in accordance with said notice, such Series 2009A Bonds shall be paid by the Registrar at the redemption price. Each check or other transfer of funds issued by the Registrar for the purpose of the payment of the redemption price of Series 2009A Bonds being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Series 2009A Bonds being redeemed with the proceeds of such check or other transfer. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2009A Bond, there shall be prepared for the Holder a new Series 2009A Bond or Series 2009A Bonds of the same maturity in the amount of the unpaid principal of such partially redeemed Series 2009A Bond. All Series 2009A Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Registrar. Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Series 2009A Bonds (such depositories now being The Depository Trust Company, Midwest Securities Trust Company of Chicago, Illinois, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Series 2009A Bonds. No defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Section 2.5 Book-Entry Only. A Depository may act as securities depository for the Series 2009A Bonds. The ownership of one fully-registered, certified Series 2009A 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 2009A 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 2009A Bonds, delivered or transmitted to the Depository or its authorized representative when due, and (ii) in the case of interest on the Series 2009A Bonds, delivered or transmitted on any date interest is due to the Depository or

nominee that was the Holder of that Series 2009A Bond (or one or more predecessor Series 2009A 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 services with respect to the Series 2009A 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 2009A Bonds, or (ii) the Issuer determines (in accordance with DTC's then existing policies and procedures) to discontinue the Book-Entry System through a Depository, then bond certificates are required to be delivered as described in the Series 2009A Bonds. The purchasers of beneficial ownership interest in the Series 2009A Bonds (the "Beneficial Owners"), upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Series 2009A 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 Series 2009A Bonds; (iii) any notice which is permitted or required to be given to Holders pursuant to this Instrument; or (iv) any consent given or other action taken by the Depository as Holder.

Section 2.6 Execution of Series 2009A Bonds. The Series 2009A Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Chair and the official seal of the Issuer shall be impressed or imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Series 2009A Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Series 2009A Bonds so signed and sealed have been actually sold and delivered such Series 2009A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2009A Bonds had not ceased to hold such office. Any Series 2009A 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 2009A Bond shall hold the proper office of the Issuer, although at the date of such Series 2009A Bonds 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 Instrument, notwithstanding that either or both shall have ceased to hold such office at the time the Series 2009A Bonds shall be actually sold and delivered.

From time to time after the adoption of this Instrument, the Issuer may deliver executed Series 2009A Bonds to the Registrar for authentication and the Registrar shall manually

authenticate and deliver such Series 2009A Bonds in accordance with written instructions of the Issuer and not otherwise. No Series 2009A Bond shall be entitled to any benefit under this Instrument or be valid for any purpose unless such Series 2009A Bond shall bear thereon a certificate of authentication substantially in the form set forth in the form of Series 2009A Bond set out in Section 2.9 hereof executed on behalf of the Registrar with the manual signature of an authorized signatory of the Registrar. Such certificate of authentication executed as aforesaid on a Series 2009A Bond shall be conclusive evidence that such Series 2009A Bond has been authenticated and delivered under this Instrument.

Section 2.7 Negotiability, Registration, Transfer and Exchange. The Series 2009A Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Holder, in accepting any Series 2009A Bonds shall be conclusively deemed to have agreed that the same shall be and have all of said qualities and incidents of negotiable instruments.

The transfer of Series 2009A Bonds shall be registered on the Bond Register upon delivery to the Registrar of the Series 2009A Bonds to be transferred, accompanied by a written instrument or instruments of transfer in form and with guaranty of signatures satisfactory to the Registrar, duly executed by the Holder of the Series 2009A Bonds to be transferred, or by such Holder's attorney duly authorized in writing, containing such identification information for the transferee as the Registrar shall reasonably require.

In all cases of the transfer of any Series 2009A Bond, the Registrar shall enter the transfer of ownership in the Bond Register and shall deliver in the name of the transferee or transferees a new registered Series 2009A Bond or Series 2009A Bonds of authorized denominations, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Instrument. The Issuer or the Registrar may charge the owner of such Series 2009A Bond for every such transfer an amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may require that such charge be paid before any such new Series 2009A Bond shall be delivered.

The Issuer and the Registrar shall not be required to issue or transfer any Series 2009A Bonds during the period beginning with the 15th day next preceding either any interest payment date or any day on which such Series 2009A Bonds shall have been duly called for redemption in whole or in part and with respect to which the applicable notice of redemption shall have been duly given.

New Series 2009A Bonds delivered upon any transfer shall be valid, limited obligations of the Issuer, evidencing the same debt as the Series 2009A Bonds surrendered, shall be payable solely from the Pledged Funds and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2009A Bonds surrendered.

The Issuer and the Registrar may treat the registered owner of any Series 2009A Bond as the absolute owner thereof for all purposes, whether or not such Series 2009A Bond shall be overdue, and any notice to the contrary shall not be binding upon the Issuer or the Registrar.

Section 2.8 Series 2009A Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2009A Bond shall become mutilated, or be destroyed stolen or lost, the Issuer may in its discretion issue and deliver a new Series 2009A Bond of like tenor as the Series 2009A Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2009A Bond, upon surrender and cancellation of such mutilated Series 2009A Bond, or in lieu of and substitution for the Series 2009A Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may occur. If any such Series 2009A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2009A Bond the Issuer may pay the same, upon being indemnified as aforesaid, if such Series 2009A Bond be lost, stolen or destroyed, without surrender thereof. All Series 2009A Bonds so surrendered shall be canceled by the Issuer.

Any such duplicate Series 2009A Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Series 2009A Bonds be at any time found by anyone, and such duplicate Series 2009A Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Series 2009A Bonds issued hereunder.

Section 2.9 Form of Series 2009A Bonds. The text of the Series 2009A Bonds shall be in substantially the following form, with only such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chair or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by the Issuer's delivery of the Series 2009A Bonds to the purchaser or purchasers thereof):

(FORM OF BOND)

No. R-_____

\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
ST. JOHNS COUNTY
SALES TAX REVENUE REFUNDING BOND, SERIES 2009A

INTEREST RATE: MATURITY DATE: BOND DATE: CUSIP:

_____ % _____, _____, 200__

REGISTERED OWNER:

PRINCIPAL AMOUNT:

FOR VALUE RECEIVED, St. Johns County, a political subdivision of the State of Florida (the "Issuer"), hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Owner identified above, or registered assigns as hereinafter provided, the Principal Amount identified above on the Maturity Date identified above, and interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Bond Date identified above or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above on April 1 and October 1 of each year commencing _____ 1, 20__, until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto, and except as is provided in the Resolution, as hereinafter defined, with respect to failure to surrender this bond for payment at maturity.

Such Principal Amount and interest on this bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts, at the office of the Registrar hereinafter identified. 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 the Registrar at the close of business on the date which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date and shall be paid by a check of the Registrar mailed to such registered owner at the address appearing on such registration books or at such other address as may be furnished in writing by such registered owner to the Registrar or shall be paid by wire transfer to the account of DTC (as defined below) or its nominee if this bond shall be registered to Cede & Co. 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 the registered owner hereof, not less than 15 days preceding such special record date. Such notice shall be mailed to the person in whose name this bond is registered at the close of business on the fifth day preceding the date of mailing.

This bond is one of an authorized issue of Sales Tax Revenue Refunding Bonds, Series 2009A, of the Issuer, in the aggregate principal amount of \$____,000,000 (the "Series 2009A Bonds") of like date, tenor and effect, except as to number, denomination, interest rate and date of maturity. The Series 2009A Bonds are issued to finance the cost of refunding the Issuer's outstanding Sales Tax Revenue Refunding Bonds, Series 1998, paying the premium for a bond insurance policy and a reserve instrument for the Series 2009A Bonds and paying certain costs of issuance with respect to the Series 2009A 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, St. Johns County Ordinance No. 86-89, as amended, and Resolution No. 86-132 duly adopted by the Issuer on September 30, 1986, as previously amended and supplemented, particularly as supplemented by Resolution No. 89-143 duly adopted by the Issuer on June 27, 1989, as amended, and Resolution No. 2009-____ duly adopted by the Issuer on _____, 2009 (collectively, the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of the Local Governmental Half-cent Sales Tax (as such term is defined in the Resolution) and all moneys on deposit to the credit of certain funds and accounts created under the Resolution and the earnings on the investment thereof, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"). It is expressly agreed by the owner of this bond that the full faith and credit of the Issuer is not pledged to the payment of the principal of and interest on this bond and that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer for the payment of such principal and interest. This bond and the obligation evidenced hereby shall not constitute a lien upon any property of the Issuer or situated within St. Johns County, Florida, but shall constitute a lien only on the Pledged Funds.

The lien in favor of the owners of the Series 2009A Bonds on the Pledged Funds is on a parity, equally and ratably, with the lien thereon in favor of the owners of the Issuer's outstanding Sales Tax Revenue Refunding Bonds, Series 2002, Sales Tax Revenue Bonds, Series 2004A and Series 2004B, Sales Tax Revenue Bonds, Series 2006 and Sales Tax Revenue and Refunding Bond, Series 2009.

The Series 2009A Bonds maturing prior to October 1, 20__ shall not be subject to redemption prior to their maturity.

[The Series 2009A Bonds maturing October 1, 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 October 1, ____ and on each October 1, ____ thereafter in the years and in the principal amounts corresponding to the Amortization Installments (as defined in the Resolution) as follows:

Year

Amortization
Installments

\$

(maturity)

Notice of such redemption shall be given in the manner required by the Resolution.]

This bond is transferable upon the registration books of Regions Bank, as registrar, or such other registrar as the Issuer shall hereafter duly appoint (the "Registrar"), but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender of this bond to the Registrar, with the form of Assignment hereon or other written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar duly executed by the registered owner hereof, or by such owner's attorney duly authorized in writing, and containing the information identifying the transferee requested hereon. In all cases of the transfer of this bond, the Registrar shall enter the transfer of ownership in such registration books and shall deliver in the name of the transferee or transferees a new bond or bonds of authorized denomination or denominations and of the same maturity, interest rate and aggregate principal amount, at the earliest practicable time. Prior to every such transfer the Registrar shall be entitled to receive from the owner of this bond a sum sufficient only to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer.

The Series 2009A 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 Series 2009A Bonds. Individual purchase of the Series 2009A Bonds may be made in book entry form only, and such purchasers will not receive certificates representing their interests in the Series 2009A Bonds. While the Series 2009A 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 Series 2009A 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 Series 2009A 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 Owner for all purposes of the Resolution, including without limitation, payment by the Issuer of principal of and interest on the Series 2009A Bonds, and receipt of notices and exercise of rights of holders of the Series 2009A Bonds. There shall be a single Series 2009A Bond for each maturity that shall be immobilized in the custody of DTC with the beneficial owners having no right to receive the Series 2009A Bonds in the form of physical securities or certificates. Ownership of beneficial interest in the Series 2009A 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 Series 2009A Bonds, and the participants and persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the Series 2009A Bonds. The Series 2009A 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 Series 2009A 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 Series 2009A Bonds from the Depository, and authenticate and deliver Series 2009A 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 hereto, and that the issuance of the Series 2009A 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 unless 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 signed by the Chair of its Board of County Commissioners and attested and countersigned by the Clerk of said Board, either manually or with their facsimile signatures and its official seal or a facsimile thereof to be affixed, impressed, imprinted or engraved hereon, all as of the ____ day of _____, 2009.

ST. JOHNS COUNTY, FLORIDA

By _____
Chair of the Board of County
Commissioners

(SEAL)

ATTESTED AND COUNTERSIGNED:

Clerk of the Board of County Commissioners

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2009A Bonds of the issue herein described and issued pursuant to the within mentioned Resolution.

DATE OF AUTHENTICATION:

REGIONS BANK,
Registrar

By _____

Authorized Signatory

STATEMENT OF INSURANCE

Assured Guaranty Corp. ("Assured Guaranty"), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the "Policy") with respect to the scheduled payments of principal of and interest on the Series 2009A Bonds to _____, as paying agent on behalf of the holders of the Series 2009A Bonds (the "Paying Agent"). Such Policy is on file and available for inspection at the principal office of the Paying Agent, and a copy thereof may be obtained from Assured Guaranty or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Series 2009A Bond acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

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 _____ Custodian _____
(Cust) (Minor)

under Uniform Transfers to Minors

Act _____
(State)

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

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER
IDENTIFICATION NUMBER OF TRANSFEREE

(Please print or typewrite name and address,
including zip code of Transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

to transfer the within 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.

Registered Owner (NOTE: The signature
above must correspond with the name of the
Registered Owner as it appears upon the front
of this bond in every particular, without
alteration or enlargement or any change
whatsoever.)

ARTICLE III

COVENANTS, SPECIAL FUNDS AND APPLICATION THEREOF

Section 3.1 Series 2009A Bonds Not to Be General Indebtedness of Issuer. The Series 2009A Bonds shall not be or constitute general obligations or indebtedness of the Issuer as “bonds” within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from and secured by a prior lien upon and a pledge of the Pledged Funds. No Holder shall ever have the right to compel the exercise of any ad valorem taxing power of the Issuer, the State of Florida or any political subdivision thereof to pay the principal of or interest on any Series 2009A Bond or be entitled to payment of such Series 2009A Bond from any moneys of the Issuer except from the Pledged Funds, in the manner provided herein.

Section 3.2 Security for Series 2009A Bonds. The payment of the principal of and interest on the Series 2009A Bonds shall be secured forthwith equally and ratably by a pledge of and prior lien upon the Pledged Funds. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and premium, if any, and interest on the Series 2009A Bonds and for reserves therefor and for all other payments required hereby and by the Original Instrument. The Series 2009A Bonds are payable from the Pledged Funds on a parity, equally and ratably, with the Parity Obligations.

Section 3.3 Application of Series 2009A Bond Proceeds. The proceeds derived from the sale of the Series 2009A Bonds, including accrued interest and premium, if any, thereon shall, simultaneously with the delivery of the Series 2009A Bonds to the Purchaser, be applied by the Issuer as follows:

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

(B) 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 Agent under the Escrow Deposit Agreement and applied only in the manner provided in the Escrow Deposit Agreement.

(C) The Issuer covenants and agrees to establish a separate account with an Authorized Depository to be known as the “St. Johns County Sales Tax Revenue Refunding Bonds, Series 2009A, Costs of Issuance Account” (the “Costs of Issuance Account”), which shall be used only for the payment of costs and expenses described in this subsection. The balance of the Series 2009A Bond proceeds shall be deposited in the Costs of Issuance Account. Such moneys shall be in an amount sufficient to pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2009A Bonds, including fees of financial advisors, consulting fees, legal fees, Policy and Reserve Instrument premiums (which may be paid directly by the Purchaser), printing fees, rating agency fees and other similar costs, and all such costs and expenses shall be promptly paid by the Issuer to the persons respectively entitled to receive the same. When all moneys on deposit to the credit of the Costs of Issuance Account shall have been disbursed by the Issuer for the payment of such costs and expenses, the Costs of

Issuance Account shall be closed; provided, however, that if any balance shall remain in the Costs of Issuance Account six months after issuance of the Series 2009A Bonds, such moneys shall be transferred by the Issuer to the Interest Account, and the Costs of Issuance Account shall be closed.

Section 3.4 Covenants of the Issuer. So long as any of the principal of or premium, if any, or interest on any of the Series 2009A Bonds shall be outstanding and unpaid, or until provision for payment thereof shall have been made within the meaning of Section 4.1 hereof, except as to any Series 2009A Bonds which shall have not been surrendered for payment at maturity or on the date fixed for redemption as provided in Section 2.3 hereof, the Issuer covenants with the Holders as follows:

(A) Application of Provisions of Original Instrument. The Series 2009A Bonds shall for all purposes be considered to be additional parity obligations issued under the authority of Section 3.06(E) of the Original Instrument and shall be entitled to all the protection and security provided by the Original Instrument for the Parity Obligations and shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Obligations. All of the covenants and pledges contained in the Original Instrument, including particularly Section 3.06 thereof, shall be applicable to the Series 2009A Bonds in like manner as applicable to the Parity Obligations. The Issuer shall pay all Pledged Funds into the Revenue Fund and the Sinking Fund established by the Original Instrument, and the principal of, interest on and redemption premiums, if any, on the Series 2009A Bonds shall be payable therefrom on a parity with the Parity Obligations. The Reserve Account shall be as available to pay the principal of and interest on the Parity Obligations and Additional Bonds and to pay the principal of and interest on the Series 2009A Bonds; provided that any Reserve Instrument may be for the benefit of a particular issue of the Bonds.

(B) Remedies. Any Holder may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein or in the Original Instrument, and may enforce and compel the performance of all duties required thereby and hereby or by any state or federal statute applicable thereto or hereto to be performed by the Issuer or by any officer thereof. This provision shall not be deemed to waive any venue privileges which the Issuer may have.

Nothing herein, however, shall be construed to grant to any Holder any lien on any property of the Issuer or situated within St. Johns County, except the Pledged Funds.

(C) Creation of Superior Liens. The Issuer covenants that it will not issue any other notes, bonds, certificates or obligations of any kind or nature or create or cause or permit to be created any debt, lien, pledge, assignment or encumbrance or charge payable from or enjoying a lien upon the Pledged Funds ranking prior and superior to the lien created by this Instrument for the benefit of the Series 2009A Bonds, or enjoying a lien upon the Pledged Funds equal to or on a parity with the lien in favor of the Series 2009A Bonds unless the conditions prescribed by Section 3.06(E) of the Original Instrument shall be fully complied with and no Event of Default shall exist.

(D) Arbitrage. The Issuer covenants that it will not knowingly make any investments or acquiesce in the making of any investments by any depository pursuant to or under the provisions of this Instrument or the Original Instrument which could cause the Series 2009A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the United States Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations issued thereunder (collectively, the “Internal Revenue Code”). Unless the Issuer is furnished with an opinion of its bond counsel, which counsel’s legal and tax opinion on municipal bond issues shall be nationally recognized (“Bond Counsel”), that the Series 2009A Bonds qualify for any applicable exception to the arbitrage rebate requirements contained in the Internal Revenue Code, the Issuer covenants that it shall pay, from the special account described in paragraph (2) of this subsection, any rebate amount required to be paid on behalf of the Issuer to the U.S. Treasury pursuant to Section 148 the Internal Revenue Code. The Issuer shall take the following actions to provide for payment to the U.S. Treasury pursuant to Section 148 of the Internal Revenue Code:

(1) Unless the Issuer is furnished with an opinion of Bond Counsel to the effect that failure to make such determinations will not adversely affect the tax exempt status of the Series 2009A Bonds, the Issuer shall make a determination of the amount required to be paid to the U.S. Treasury at least every year (as of the anniversary of the date of issue of the Series 2009A Bonds) and upon the final payment of the Series 2009A Bonds.

(2) An amount equal to the amount to be paid pursuant to paragraph (1) above shall be transferred from the Revenue Fund to be placed into a special account, which shall be held for the sole benefit of the U.S. Treasury and shall not be or be deemed to be a pledged fund (and no moneys deposited therein shall be or deemed to be Pledged Funds). The Issuer shall promptly deposit into the special account any deficiency in such amount.

(3) The Issuer shall make payment to the U.S. Treasury from the special account on the dates and in the manner required by law.

(4) The Issuer shall take any additional action required to be taken pursuant to the nonarbitrage certificate, or other instructions from its Bond Counsel, delivered in connection with or subsequent to the issuance and sale of the Series 2009A Bonds.

(5) The Issuer shall keep records of the determinations made under this section until six years after the final payment on the Series 2009A Bonds. The Issuer shall keep adequate records, including any necessary certifications, to evidence the fair market value of any securities purchased with Series 2009A Bond proceeds.

(E) Compliance with Internal Revenue Code. The Issuer covenants that it shall use its best efforts to comply with all requirements of the Internal Revenue Code that must be satisfied in order for the interest on the Series 2009A Bonds to be excluded from gross income for federal income tax purposes as described in the opinion of its Bond Counsel delivered in connection with the issuance of the Series 2009A Bonds. The Issuer covenants and

agrees that it will take any additional action required to be taken pursuant to the nonarbitrage certificate, or other instructions from its Bond Counsel, whether delivered in connection with or subsequent to the issuance and sale of the Series 2009A Bonds, in order to comply with all provisions of the Internal Revenue Code compliance with which is required to maintain the tax-exempt status of the interest payable on the Series 2009A Bonds as described in said opinion of its Bond Counsel.

(F) Continuing Disclosure. The Issuer agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, substantially in the form on file with the Clerk as Exhibit D hereto and incorporated herein by this reference, executed by the Issuer and dated the date of issuance of the Series 2009A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof (the "Continuing Disclosure Certificate"). Notwithstanding any other provision of this Instrument, failure of the Issuer to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default nor give rise to any pecuniary liability; however, any Holder 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 3.4(F). For purposes of this Section 3.4(F), "Beneficial Owner" means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2009A Bonds, (including persons holding Series 2009A Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Series 2009A Bonds for federal income tax purposes.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1 Defeasance. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest and redemption premiums, if any, with respect to any of the Series 2009A Bonds, then, and in that event, the pledge of and lien on the Pledged Funds in favor of the Holders of such Series 2009A Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit by the Issuer of cash and/or Federal Securities, or bank certificates of deposit fully secured as to principal and interest by Federal Securities (or deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance), in irrevocable trust with a banking institution or trust company, for the sole benefit of the Holders, in an aggregate principal amount which, together with interest to accrue thereon, will be sufficient to make timely payment of the principal of and redemption premiums, if any, and interest accrued on and which shall thereafter accrue on such Series 2009A Bonds in accordance with their terms, the Registrar's and paying agents' fees and expenses with respect thereto and any other expenses occasioned by escrow arrangements or provision for redemption, shall be considered "provision for payment." Nothing herein shall be deemed to require the Issuer to call any outstanding Series 2009A Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption. The escrow agreement providing for the deposit of such securities may provide for

the investment of moneys unclaimed by Holders and for payment to the Issuer of such unclaimed moneys and the investment earnings thereon.

Section 4.2 Modification or Amendment. No material modification or amendment of this Instrument may be made without the consent in writing of the Insurer, which consent shall not be unreasonably withheld, and, subject to Section 4.4(C) and (F) of this Instrument, the Holders of 51 percent or more in principal amount of any Series 2009A Bonds then outstanding and which shall be affected by such modification or amendment; provided, however, that no modification or amendment shall permit a change in the maturity of such Series 2009A Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or reduce the number of such Series 2009A Bonds the written consent of the Holders of which are required by this section for such modification or amendment, without the consent of all Holders.

Section 4.3 Ratification of Acceptance of Insurance Commitments. The Issuer hereby ratifies the acceptance of the Insurer's commitments to provide the Policy and a Reserve Instrument with respect to the Series 2009A Bonds, copies of which commitments are on file with the Clerk as Exhibit C hereto and incorporated herein by this reference. The Insurer is hereby designated as the Insurer for the Series 2009A Bonds; and as the Insurer for the Series 2009A 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 Instrument issued by the Insurer shall be in the amount specified in the Surety Bond. 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.

The Chair or Vice Chair and the Clerk or any deputy clerk are hereby authorized to execute and deliver the Reserve Instrument Agreement, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chair or Vice Chair and the Clerk or any deputy clerk prior to the delivery thereof, such necessity and/or desirability and approval by the Chair or Vice Chair and the Clerk or any deputy clerk to be presumed by their execution and delivery thereof; and all of the provisions of the Reserve Instrument Agreement, when executed and delivered by the Issuer as authorized herein, and by the Insurer, shall be deemed to be a part of this Instrument and the Original Instrument as fully and to the same extent as if incorporated verbatim herein and therein.

Section 4.4 Insurer. Notwithstanding any provision to the contrary contained herein, the following provisions shall apply so long as the Policy and the Surety Bond shall be in full force and effect.

(A) Notices and Other Information

(1) Any notice that is required to be given to Holders of the Series 2009A Bonds, any entity pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission or to the paying agent pursuant to this Instrument shall also be provided to the Insurer, simultaneously with the sending of such notices. In addition, to the extent

that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Series 2009A Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(2) All demands, notices and other information required to be given to the Insurer under this Instrument shall be in writing and shall be mailed by registered or certified mail or personally delivered or telecopied to the recipient as follows:

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, New York 10019
Attn: Risk Management Department
(Re: Policy No. _____)
Telecopy No.: (212) 581-3268
Confirmation: (212) 974-0100
Email: riskmanagementdeptassuredguaranty.com

In each case in which notice or other communication refers to an Event of Default, a claim on the Policy or any event with respect to which failure on the part of the Insurer to respond shall be deemed to constitute consent or acceptance, then such demand, notice or other communication shall be marked to indicate "URGENT MATERIAL ENCLOSED" and shall also be sent to the attention of the General Counsel at the same address and at generalcounsel@assuredguaranty.com or the following facsimile number: (212) 445-8705.

(3) The Insurer shall be provided by the Issuer with the following information:

(i) Annual audited financial statements within 180 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 or this Instrument) with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Reserve Account within two business days after knowledge thereof other than (y) withdrawals of amounts in excess of the Reserve Account Requirement for the Series 2009A Bonds or any Parity Obligations and (z) withdrawals in connection with a refunding of the Series 2009A Bonds or any Parity Obligations;

(iii) Notice of any default under the Original Instrument or this Instrument known to the Issuer within five business days after knowledge thereof;

(iv) Prior notice of the advance refunding of any of the Series 2009A Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the paying agent and Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) 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");

(vii) 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 2009A Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to this Instrument;

(ix) All reports, notices and correspondence to be delivered to the Holders of the Series 2009A Bonds under the terms of the Original Instrument or this Instrument; and

(x) Such additional information as the Insurer may reasonably request.

(4) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Series 2009A Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.

(5) The paying agent shall notify the Insurer of any failure of the Issuer to provide notices, certificates and other information under the Original Instrument or this Instrument to the extent that the paying agent has knowledge of such failure.

(B) Defeasance. In the event that the principal and/or interest due on the Series 2009A Bonds shall be paid by the Insurer pursuant to the Policy, the Series 2009A Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the pledge of the Pledged Funds and all covenants, agreements and other obligations of the Issuer to the registered owners of the Series 2009A Bonds shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Series 2009A Bonds.

In addition to any other requirements contained in Section 4.1 of this Instrument, the following shall be required in connection with the defeasance of the Series 2009A Bonds:

(6) An opinion of Bond Counsel to the effect that (1) the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of

interest on the Series 2009A Bonds or refunded bonds (to the extent the refunded bonds are issued as tax-exempt bonds) and (2) the Series 2009A Bonds are no longer outstanding under the Original Instrument and this Instrument;

(7) If the Series 2009A Bonds are being advanced-refunded (through a net defeasance), a refunding trust or escrow agreement (the “Refunding Agreement”) and an opinion of counsel regarding the validity and enforceability of the Refunding Agreement; and

(8) The Refunding Agreement shall provide that:

(i) Any substitution of securities shall require verification by an independent certified public accountant or other entity with a favorable national reputation for the preparation of such reports.

(ii) The Issuer shall not amend the Refunding Agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Insurer.

(C) Amendments and Supplements. With respect to amendments or supplements to the Original Instrument and this Instrument which do not require the consent of the Bondholders, the Insurer must be given prior written notice of any such amendments or supplements. With respect to amendments or supplements to the Original Instrument and this Instrument which require the consent of the Bondholders, the Insurer’s prior written consent is required, and such consent shall constitute the consent of, and be in lieu of, the consent of the Holders of the Series 2009A Bonds, notwithstanding the provisions of such instruments, including but not limited to Section 3.06(L) of the Original Instrument and Section 4.2 of this Instrument. Copies of all amendments or supplements to the Original Instrument or this Instrument, which are consented to by the Insurer, shall be sent to the rating agencies that have assigned a rating to the Series 2009A Bonds.

(D) Insurer as Third Party Beneficiary. To the extent that the Original Instrument or this Instrument confers upon or gives or grants the Insurer any right, remedy or claim under or by reason of the Original Instrument or this Instrument, the Insurer is explicitly recognized as being a third party beneficiary under the Original Instrument or this Instrument and may enforce any such right, remedy or claim conferred, given or granted under the Original Instrument or this Instrument.

(E) Control Rights. The Insurer shall be deemed to be the sole holder of the Series 2009A Bonds for purposes of (i) exercising all remedies and directing the paying agent to take actions or for any other purposes following an Event of Default, and (ii) granting any consent, waiver, direction or approval or taking any action permitted by or required under the Original Instrument or this Instrument, to be granted or taken by the Holders of the Series 2009A Bonds.

(F) Consent Rights of the Insurer.

(9) *Consent of the Insurer.* Any provision of the Original Instrument and this Instrument expressly recognizing or granting rights in or to the Insurer may not be amended in any manner that affects the rights of the Insurer hereunder without the prior written consent of the Insurer.

(10) *Consent of the Insurer in Lieu of Bondholder Consent.* Wherever the Original Instrument or this Instrument requires the consent of all of the Holders of the Series 2009A Bonds, the Insurer's prior written consent shall constitute the consent of all of the Holders of the Series 2009A Bonds, notwithstanding the provisions of such instruments, including but not limited to Section 3.06(L) of the Original Instrument and Section 4.2 of this Instrument.

(11) *Consent of the Insurer in the Event of Insolvency.* In the event of any reorganization or liquidation of the Issuer, the Insurer shall have the right to vote on behalf of all Holders of the Series 2009A Bonds.

(12) *Consent of the Insurer Upon Default.* Anything in the Original Instrument and this Instrument to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Insurer shall be entitled to vote in lieu of the Holders of the Series 2009A Bonds in connection with the enforcement of all rights and remedies granted to the Holders of the Series 2009A Bonds or the paying agent for the benefit of the Holders of the Series 2009A Bonds under the Original Instrument and this Instrument. The Insurer also shall be entitled to vote in lieu of the Holders of the Series 2009A Bonds in connection with the approval of all waivers of Events of Default.

(13) *Consent of the Insurer to Interest Rate Exchange Agreements.* Without the prior written consent of the Insurer, the Issuer shall not enter into any interest rate exchange agreement relating to the Bonds.

(G) Non-Reliance on the Insurer. The Issuer has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Series 2009A Bonds and whether the Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary. The Issuer acknowledges that the Insurer has not made, and therefore the Issuer is not relying on, any recommendation from the Insurer that the Issuer insure the Series 2009A Bonds or obtain the Policy; it being understood and agreed that communications from the Insurer (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, any related insurance document or the documentation governing the Series 2009A Bonds do not constitute a recommendation to insure the Series 2009A Bonds or obtain the Policy.

The Issuer further acknowledges that the Insurer has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning the rating of the Insurer's financial strength by the rating agencies. The

Issuer acknowledges that the ratings of the Insurer reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies. The Issuer understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by the Insurer in its sole discretion. The Issuer acknowledges and agrees that the Insurer undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Series 2009A Bonds.

(H) No Purchase by the Issuer. Without the prior written consent of the Insurer, no Series 2009A Bonds insured by the Insurer shall be purchased by the Issuer, or any of its affiliates, in lieu of redemption, unless such Series 2009A Bonds are redeemed, defeased or cancelled.

(I) Reimbursement Obligations. The Issuer, to the extent permitted by law and 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 the Original Instrument and this Instrument, (ii) the pursuit of any remedies under the Original Instrument and this Instrument or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Original Instrument and this Instrument 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 the Original Instrument and this Instrument or the transactions contemplated thereby, other than amounts resulting from the failure of the Insurer to honor its obligations under the 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 the Original Instrument and this Instrument. The Issuer, to the extent permitted by law and solely from the Pledged Funds, will pay interest on the amounts owed in this paragraph from the date of any payment due or paid, at the per annum rate of interest publicly announced from time to time by JPMorgan Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank, National Association) plus three percent per annum (the "Reimbursement Rate"). The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JPMorgan Chase Bank, National Association ceases to announce its prime rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank, as the Insurer shall specify.

(J) Payment Procedure Under the Policy.

(14) At least one business day prior to each payment date on the Series 2009A Bonds, the paying agent will determine whether there will be sufficient funds to pay all principal of and interest on the Series 2009A Bonds due on the related payment date and

shall immediately notify the Insurer or its designee on the same business day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of any deficiency. Such notice shall specify the amount of the anticipated deficiency, the Series 2009A Bonds to which such deficiency is applicable and whether such Series 2009A Bonds will be deficient as to principal or interest or both. If the deficiency is made up in whole or in part prior to or on the payment date, the paying agent shall so notify the Insurer or its designee.

(15) The paying agent shall, after giving notice to the Insurer as provided above, make available to the Insurer and, at the Insurer's direction, to any fiscal agent acting on behalf of the Insurer (the "Fiscal Agent"), the registration books of the Issuer maintained by the Registrar and all records relating to the funds maintained under the Original Instrument and this Instrument.

(16) The paying agent shall provide the Insurer and any Fiscal Agent with a list of registered owners of Series 2009A Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Policy, and shall make arrangements with the Insurer, the Fiscal Agent or another designee of the Insurer to (i) mail checks or drafts to the registered owners of Series 2009A Bonds entitled to receive full or partial interest payments from the Insurer and (ii) pay principal upon Series 2009A Bonds surrendered to the Insurer, the Fiscal Agent or another designee of the Insurer by the registered owners of Series 2009A Bonds entitled to receive full or partial principal payments from the Insurer.

(17) The paying agent shall, at the time it provides notice to the Insurer of any deficiency pursuant to clause (1) above, notify registered owners of Series 2009A Bonds entitled to receive the payment of principal or interest thereon from the Insurer (i) as to such deficiency and its entitlement to receive principal or interest, as applicable, (ii) that the Insurer will remit to them all or a part of the interest payments due on the related payment date upon proof of its entitlement thereto and delivery to the Insurer or any Fiscal Agent, in form satisfactory to the Insurer, of an appropriate assignment of the registered owner's right to payment, (iii) that, if they are entitled to receive partial payment of principal from the Insurer, they must surrender the related Series 2009A Bonds for payment first to the paying agent, which will note on such Series 2009A Bonds the portion of the principal paid by the paying agent and second to the Insurer or its designee, together with an appropriate assignment, in form satisfactory to the Insurer, to permit ownership of such Series 2009A Bonds to be registered in the name of the Insurer, which will then pay the unpaid portion of principal, and (iv) that, if they are entitled to receive full payment of principal from the Insurer, they must surrender the related Series 2009A Bonds for payment to the Insurer or its designee, rather than the paying agent, together with an appropriate assignment, in form satisfactory to the Insurer, to permit ownership of such Series 2009A Bonds to be registered in the name of the Insurer.

(18) In addition, if the paying agent has notice that any Holder of the Series 2009A Bonds has been required to disgorge payments of principal or interest on the Series 2009A Bonds previously due for payment pursuant to a final non-appealable order

by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Holder within the meaning of any applicable bankruptcy laws, then the paying agent shall notify the Insurer or its designee of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.

(19) The paying agent is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Series 2009A Bonds as follows:

(i) If and to the extent there is a deficiency in amounts required to pay interest on the Series 2009A Bonds, the paying agent shall (a) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to the Insurer of the claims for interest to which such deficiency relates and which are paid by the Insurer, (b) receive as designee of the respective Holders (and not as paying agent) in accordance with the tenor of the Policy payment from the Insurer with respect to the claims for interest so assigned; and (c) disburse the same to such respective Holders; and

(ii) If and to the extent of a deficiency in amounts required to pay principal of the Series 2009A Bonds, the paying agent shall (a) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent for such Holder in any legal proceeding related to the payment of such principal and an assignment to the Insurer of the Series 2009A Bonds surrendered to the Insurer in an amount equal to the principal amount thereof as has not previously been paid or for which moneys are not held by the paying agent and available for such payment (but such assignment shall be delivered only if payment from the Insurer is received), (b) receive as designee of the respective Holders (and not as paying agent) in accordance with the tenor of the Policy payment therefor from the Insurer, and (c) disburse the same to such Holders.

(20) Payments with respect to claims for interest on and principal of Series 2009A Bonds disbursed by the paying agent from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Series 2009A Bonds, and the Insurer shall become the owner of such unpaid Series 2009A Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

(21) Irrespective of whether any such assignment is executed and delivered, the Issuer and the paying agent hereby agree for the benefit of the Insurer that:

(i) they recognize that to the extent the Insurer makes payments directly or indirectly (*e.g.*, by paying through the paying agent), on account of principal of or interest on the Series 2009A Bonds, the Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources

stated in the Original Instrument or this Instrument and the Series 2009A Bonds;
and

(ii) they will accordingly pay to the Insurer the amount of such principal and interest, with interest thereon as provided in the Original Instrument and this Instrument and the Series 2009A Bonds, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Series 2009A Bonds to Holders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

(22) The Insurer shall be entitled to pay principal of or interest on the Series 2009A Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment (as such terms are defined in the Policy), whether or not the Insurer has received a Notice (as defined in the Policy) of Nonpayment or a claim upon the Policy.

(23) In addition, the Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2009A Bonds become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of claims for interest, the paying agent shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar, upon receipt of proof of payment of interest thereon to the registered Holders of the Series 2009A Bonds, and (ii) in the case of claims for principal, the Registrar, if any, shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar, upon surrender of the Series 2009A Bonds together with receipt of proof of payment of principal thereof.

Section 4.5 Sale of the Series 2009A Bonds: Authorization of Execution of Purchase Contract. A negotiated sale of the Series 2009A Bonds is hereby authorized. The Chair or the County Administrator is hereby authorized and directed to award the sale of the Series 2009A Bonds to the Purchaser in an aggregate principal amount which shall not exceed \$12,000,000 (the "Maximum Principal Amount"), at an aggregate purchase price (excluding any original issue discount and original issue premium) of not less than 99 percent of the original principal amount of the Series 2009A Bonds (the "Minimum Purchase Price"), as approved by the Chair or the County Administrator, within the following parameters (the "Parameters"): the final maturity of the Series 2009A Bonds shall not be later than October 1, 2019; net present value savings discounted at the arbitrage yield on the Series 2009A Bonds which shall result from the issuance of the Series 2009A Bonds shall be at least two percent of the principal amount of the Refunded Bonds; 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 the Policy and a Reserve Instrument with respect to the Series 2009A Bonds shall be in effect; and the Insurer shall be a Highest Rated Reserve Instrument Provider; provided, however, that in the event the Insurer shall not be a Highest Rated Reserve Instrument Provider on the date of issuance of the Series 2009A Bonds, then the consent of all the insurers of the Parity Obligations shall be required with respect to such Reserve Instrument prior to the issuance of the Series 2009A Bonds in accordance with Section 3.05 of the 1989 Resolution.

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 Chair or the County Administrator prior to the execution and delivery thereof, is hereby approved; such necessity and/or desirability and approval by the Chair or the County Administrator to be presumed by the Chair's or the County Administrator's execution thereof; the Chair or the County Administrator is hereby authorized to accept the offer of the Purchaser to purchase the Series 2009A Bonds in an aggregate principal amounts not to exceed the Maximum Principal Amount, at a purchase price of not less than the Minimum Purchase Price plus accrued interest thereon, if any, to the date of delivery and with final terms within the Parameters, upon the terms and conditions set forth in the Purchase Contract; and the Chair 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. Receipt by the Chair or the County Administrator of a report of the Financial Advisor stating that the aggregate purchase price set forth in the Purchase Contract is not less than the Minimum Purchase Price and that the final terms and conditions of the sale of the Series 2009A Bonds are within the Parameters shall constitute conclusive proof that all of the terms and conditions set forth in this Section 4.5 have been fully satisfied.

The Series 2009A Bonds shall be dated such date, shall bear interest at such rates, mature on such dates, have such Amortization Installments, be redeemable prior to maturity upon such terms and conditions and have such other terms as are set forth in the Purchase Contract and approved by the Chair or the County Administrator, and the authority to approve such matters is hereby expressly delegated to the Chair and the County Administrator as herein provided, with the Chair's or the County Administrator's approval to be conclusively evidenced by the Chair'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 Chair, 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 2009A Bonds in accordance with the provisions of the Original Instrument, this Instrument and the Purchase Contract.

Authority for the issuance of such aggregate principal amount of the Series 2009A 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 December 31, 2009, the Chair's and the County Administrator's authority to award the sale of the Series 2009A 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 after December 31, 2009.

Section 4.6 Approval of Draft Preliminary Official Statement and Authorization of Preliminary Official Statement and Final Official Statement. The Draft Preliminary Official Statement is hereby approved, and a preliminary official statement and a final official statement

in substantially the form of the Draft Preliminary Official Statement, with such omissions, insertions and variations as may be necessary and/or desirable and approved by Chair or Vice Chair prior to the release thereof, are hereby approved and each is authorized to be delivered by the Issuer to the Purchaser for distribution prior to or contemporaneously with the issuance and delivery of the Series 2009A Bonds. The Chair's or the Vice Chair's approval of the preliminary official statement shall be presumed by the delivery thereof to the Purchaser. The Chair or the Vice Chair is hereby authorized to deem the preliminary official statement final for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. The Chair or the Vice Chair is hereby authorized to evidence the Issuer's approval of the final official statement by either's 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 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 2009A Bonds and the other information required by Section 218.38, Florida Statutes, as amended, within the appropriate time periods specified by such section.

Section 4.7 Registrar and Paying Agent; Escrow Agent. Regions Bank is hereby appointed as Registrar and paying agent under the Original Instrument to serve as Registrar and paying agent for the Series 2009A Bonds and as Escrow Agent; and the Chair or Vice Chair and the Clerk or any deputy clerk are hereby authorized to execute and deliver on behalf of the Issuer a registrar and paying agency agreement in a form which shall be approved by the Issuer's attorney, such approval to be conclusively presumed by their execution thereof. Regions Bank is hereby appointed to serve as Escrow Agent under the Escrow Deposit Agreement. The Chair or Vice Chair and the Clerk or any deputy clerk are hereby authorized to execute and deliver the Escrow Deposit Agreement in favor of the Escrow Agent, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chair or Vice Chair and the Clerk or any deputy clerk prior to the delivery thereof, such necessity and/or desirability and approval to be conclusively presumed by their execution and delivery thereof.

Section 4.8 General Authority. The members of the Board 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 Instrument 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 2009A Bonds and this Instrument, 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 2009A Bonds.

Section 4.9 Authorization of Execution of Certificates and Other Instruments. The Chair or Vice Chair and the Clerk or any deputy clerk are hereby authorized and directed, either alone or jointly, under the official seal of the Issuer, to execute and deliver certificates of the Issuer certifying such facts as the Issuer's attorney, counsel to the Purchaser or Bond Counsel shall require in connection with the issuance, sale and delivery of the Series 2009A Bonds, and to execute and deliver such other instruments as shall be necessary or desirable to perform the Issuer's obligations under this Instrument, the Original Instrument and the Purchase Contract and to consummate the transactions contemplated hereby and thereby.

Section 4.10 No Personal Liability. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Series 2009A Bonds, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Series 2009A Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the Board, 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 2009A Bonds or any certificate or other instrument to be executed in connection with the issuance of the Series 2009A Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 4.11 No Third Party Beneficiaries. Except as may be expressly described herein or in the Series 2009A Bonds, nothing in this Instrument, or in the Series 2009A Bonds, expressed or implied, is intended or shall be construed to confer upon any person, firm, corporation or other entity other than the Issuer, the Insurer and the Holders any right, remedy or claim, legal or equitable, under and by reason of this Instrument or any provision hereof, or of the Series 2009A 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 Holders.

Section 4.12 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Instrument or of the Series 2009A Bonds should 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 separate from the remaining covenants, agreements and provisions of this Instrument and the Series 2009A Bonds.

Section 4.13 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 4.14 Original Instrument in Full Force and Effect. Except as hereby supplemented, the Original Instrument shall remain in full force and effect.

Section 4.15 Table of Contents and Heading not Part Hereof. The Table of Contents preceding the body of this Instrument 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 Instrument or affect its meaning, construction or effect.

Section 4.16 Effective Date. This Instrument shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 16th day of June, 2009.

(OFFICIAL SEAL)



BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: Cyndi Stevenson
Its Chair

ATTEST:

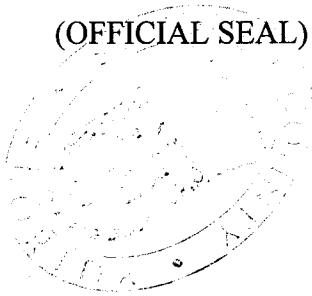
Cheryl Strickland
Its Clerk

I, Cheryl Strickland, Clerk of the Board of County Commissioners of St. Johns County, Florida, hereby certify that the foregoing is a true and correct copy of Resolution No. 2009-176 of said County passed and adopted on June 16, 2009.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said County this 17 day of June, 2009.

Cheryl Strickland
Clerk of the Board of County Commissioners

(OFFICIAL SEAL)



LIST OF EXHIBITS ON FILE WITH CLERK

The following Exhibits are on file with the Clerk:

Exhibit A	--	Draft Preliminary Official Statement
Exhibit B	--	Form of Bond Purchase Agreement
Exhibit C	--	Insurer's Commitments
Exhibit D	--	Form of Continuing Disclosure Certificate
Exhibit E	--	Form of Escrow Deposit Agreement

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2009

NEW ISSUE –BOOK ENTRY ONLY

RATINGS: (See "RATINGS" herein)

In the opinion of Rogers Towers, P.A., Bond Counsel to the County, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2009A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Series 2009A Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2009A Bonds. See "TAX MATTERS" herein.

LOGO

S _____ *

ST. JOHNS COUNTY, FLORIDA
Sales Tax Revenue Refunding Bonds, Series 2009A

Dated: Date of Delivery

Due: October 1, as shown on the inside front cover

The St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2009A (the "Series 2009A Bonds") are being issued by St. Johns County, Florida (the "County") as fully registered bonds, which initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Participants (defined herein) in denominations of \$5,000 and integral multiples thereof. Purchasers of the Series 2009A Bonds (the "Beneficial Owners") will not receive physical delivery of certificates. Transfers of ownership interests in the Series 2009A Bonds will be effected through the DTC book-entry system as described herein. As long as Cede & Co. is the registered owner as nominee of DTC, principal and interest payments will be made directly to such registered owner which will, in turn, remit such payments to the Participants for subsequent disbursement to the Beneficial Owners. Interest on the Series 2009A Bonds is payable on October 1, 2009 and semiannually on each April 1 and October 1 thereafter. Principal of, premium, if any, and interest on the Series 2009A Bonds will be payable by Regions Bank, as Paying Agent and Registrar.

The Series 2009A Bonds are not subject to redemption prior to their stated maturities.

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of the issue. Investors must read the entire

Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2009A Bonds are being issued for the purpose of providing funds, together with other legally available moneys of the County, to (i) refund, on a current basis, all of the County's outstanding Sales Tax Revenue Refunding Bonds, Series 1998, (ii) pay the premium for a reserve account insurance policy in order to fund the Reserve Account Requirement (as described herein) for the Series 2009A Bonds, and (iii) pay certain costs of issuance of the Series 2009A Bonds, including the financial guaranty insurance policy premium.

The Series 2009A Bonds are payable from and secured by a pledge of and lien upon all moneys allocated to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Part VI, Chapter 218, Florida Statutes, as amended, and all moneys on deposit to the credit of the funds and accounts created under the Resolution (as defined herein) and the earnings on the investment thereof (collectively, the "Pledged Funds"). The Series 2009A Bonds are being issued pursuant to the Resolution on parity with the County's outstanding Sales Tax Revenue Refunding Bonds, Series 2002, Sales Tax Revenue Bonds, Series 2004A, Sales Tax Revenue Bonds, Series 2004B, Sales Tax Revenue Bonds, Series 2006 and Sales Tax Revenue and Refunding Bond, Series 2009 (collectively, the "Parity Obligations").

THE SERIES 2009A BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS, WITH AND TO THE EXTENT SET FORTH IN THE RESOLUTION AND ON PARITY IN ALL RESPECTS WITH THE PARITY OBLIGATIONS. NO HOLDER OF ANY SERIES 2009A BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO PAY SUCH SERIES 2009A BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2009A BOND FROM ANY MONEYS OF THE COUNTY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

SEE INSIDE COVER PAGE FOR MATURITY SCHEDULE

The scheduled payment of the principal of and interest on the Series 2009A Bonds when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Series 2009A Bonds by Assured Guaranty Corp. simultaneously with the delivery of the Series 2009A Bonds. See "FINANCIAL GUARANTY INSURANCE POLICY" herein.

[Insert Assured Logo]

The Series 2009A Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval as to legality by Rogers Towers, P.A., Jacksonville, Florida, Bond Counsel to the County. Certain legal matters will be passed on for the County by Edwards Cohen, Counsel for the County, and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel to the County. Public Financial Management, Inc., Orlando, Florida is acting as Financial Advisor to the County. It is expected that the Series 2009A Bonds will be delivered to the Underwriter through the facilities of DTC in New York, New York on or about _____, 2009.

RAYMOND JAMES & ASSOCIATES, INC.

Dated: _____, 2009

*Preliminary, subject to change.

**AMOUNTS, MATURITIES, INTEREST RATES,
YIELDS AND INITIAL CUSIP NUMBERS**

\$ _____ Serial Bonds

<u>Amount*</u>	<u>Maturity</u> <u>(October 1)</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Initial</u> <u>CUSIP</u> <u>Number**</u>
----------------	---------------------------------------	--------------------------------	--------------	---

*Preliminary, subject to change.

**The County is not responsible for the CUSIP Numbers and no representation is made as to their accuracy. The initial CUSIP Numbers are provided solely for the convenience of those reviewing this Official Statement.

ST. JOHNS COUNTY, FLORIDA

MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS

Cyndi Stevenson, Chair
Ronald F. Sanchez, Vice Chair
Joseph "Ken" Bryan
Phillip J. Mays
Mark P. Miner

CONSTITUTIONAL OFFICERS

David B. Shoar, Sheriff
Cheryl Strickland, Clerk of Circuit Court
Dennis W. Hollingsworth, C.F.C., Tax Collector
Sharon P. Outland, C.F.A., Property Appraiser
Penny Halyburton, Supervisor of Elections

COUNTY ADMINISTRATOR

Michael D. Wanchick

FINANCE DIRECTOR

Richard A. MacDonald, Jr.

COUNTY ATTORNEY

Patrick F. McCormack

COUNSEL FOR THE COUNTY

Edwards Cohen
Jacksonville, Florida

BOND COUNSEL

Rogers Towers, P.A.
Jacksonville, Florida

DISCLOSURE COUNSEL

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

FINANCIAL ADVISOR

Public Financial Management, Inc.
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations in connection with the Series 2009A Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2009A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, The Depository Trust Company, Assured Guaranty Corp., and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the County with respect to any information provided by others. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter listed on the cover page hereof has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2009A Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

Assured Guaranty Corp. (the "Insurer" or "Assured Guaranty") makes no representation regarding the Series 2009A Bonds or the advisability of investing in the Series 2009A Bonds. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer supplied by the Insurer and presented under the heading "FINANCIAL GUARANTY INSURANCE POLICY," "RESERVE POLICY" and "APPENDIX F – SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY."

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2009A BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2009A BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
General	1
The County	1
Authority for Issuance	1
Purpose of the Series 2009A Bonds	2
Security for the Bonds	2
No Redemption	2
Financial Guaranty Insurance Policy and Reserve Account Insurance Policy	3
Additional Bonds.....	3
Tax Matters.....	3
Continuing Disclosure	3
Additional Information.....	4
PLAN OF REFUNDING	4
DESCRIPTION OF THE SERIES 2009A BONDS	5
General	5
Book-Entry Only System	5
No Redemption of the Series 2009A Bonds	8
Interchangeability, Negotiability and Transfer	8
SECURITY FOR THE BONDS	9
General	9
Funds and Accounts	10
Flow of Funds.....	10
Reserve Account	12
Additional Bonds.....	14
Receipt of Sales Tax Revenues	15
SALES TAX REVENUES.....	15
General	15
Eligibility	17
Distribution.....	19
Distribution Percentages	20
Changes in Distribution and Collections.....	20
Historical Receipts of Local Government Half-Cent Sales Tax by the County	21
Economic Impacts on Local Government Half-Cent Sales Tax Revenues	21
ESTIMATED SOURCES AND USES OF FUNDS	23
DEBT SERVICE SCHEDULE.....	24
FINANCIAL GUARANTY INSURANCE POLICY	25
The Financial Guaranty Insurance Policy	25
The Insurer	26
RESERVE POLICY.....	29
INVESTMENT POLICY	30
LEGAL MATTERS	31

LITIGATION 32

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS 32

TAX MATTERS 32

VERIFICATION OF ARITHMETICAL COMPUTATIONS 35

RATINGS..... 35

FINANCIAL ADVISOR..... 35

AUDITED FINANCIAL STATEMENTS 36

UNDERWRITING OF SERIES 2009A BONDS..... 36

ENFORCEABILITY OF REMEDIES 36

CONTINUING DISCLOSURE 37

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT 38

AUTHORIZATION OF OFFICIAL STATEMENT 39

APPENDIX A - GENERAL INFORMATION CONCERNING THE COUNTY

APPENDIX B - EXCERPTED PAGES FROM THE GENERAL PURPOSE
FINANCIAL STATEMENTS OF THE COUNTY FOR FISCAL
YEAR ENDED SEPTEMBER 30, 2008

APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E - FORM OF BOND COUNSEL OPINION

APPENDIX F - SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

OFFICIAL STATEMENT

relating to

\$ _____ *

ST. JOHNS COUNTY, FLORIDA

Sales Tax Revenue Refunding Bonds, Series 2009A

INTRODUCTION

General

This introduction is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement and should not be considered to be a complete statement of the facts material to making an informed investment decision. The offering by St. Johns County, Florida (the "County"), of its \$ _____ * St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2009A (the "Series 2009A Bonds") to potential investors is made only by means of the entire Official Statement, including all appendices attached hereto.

The County

The County was established in 1821. The City of St. Augustine, the County seat, was founded over 400 years ago by Spanish explorers and is the nation's oldest continuously occupied city. The County encompasses approximately 608 square miles and is located in the northeastern region of the State of Florida directly south of the City of Jacksonville and is bordered on the west by the St. Johns River, on the south by Flagler County, and on the east by the Atlantic Ocean. The 2008 population of the County was 181,180.

Appendix A attached hereto contains various statistical and demographic information about the County. Such appendix also contains information regarding retirement plans for County employees and the County's funding obligations related thereto, other post employment benefits provided by the County and recent property tax reform legislation. Potential investors should review Appendix A in its entirety to obtain information essential to making an informed investment decision. See "GENERAL INFORMATION CONCERNING THE COUNTY " attached hereto as APPENDIX A.

Authority for Issuance

The Series 2009A Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, including, particularly, Chapter 125, Part I, Florida Statutes, as amended, and Ordinance No. 86-89 enacted by the County on December 9, 1986, as amended, and other applicable provisions of law,

*Preliminary, subject to change.

and pursuant to Resolution No. 86-132, duly adopted by the County on September 30, 1986, as previously amended and supplemented, particularly as supplemented by Resolution No. 89-143, duly adopted by the County on July 27, 1989, as amended, and Resolution No. 2009-____, duly adopted by the County on June 16, 2009 (collectively, the "Resolution").

Purpose of the Series 2009A Bonds

The County proposes to issue the Series 2009A Bonds for the principal purposes of providing funds, together with other legally available moneys of the County, to (i) refund, on a current basis, all of the County's outstanding Sales Tax Revenue Refunding Bonds, Series 1998 (the "Refunded Bonds"), (ii) pay the premium for a reserve account insurance policy in order to fund the Reserve Account Requirement (as defined herein) for the Series 2009A Bonds, and (iii) pay certain costs of issuance of the Series 2009A Bonds, including the financial guaranty insurance policy premium. See "PLAN OF REFUNDING" herein.

Security for the Bonds

The Series 2009A Bonds will be payable from and secured by a pledge of and lien upon all moneys allocated to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to Chapter 218, Part VI, Florida Statutes, as amended, and all moneys on deposit to the credit of the funds and accounts created under the Resolution and the earnings on the investment thereof, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"). The Series 2009A Bonds are being issued pursuant to the Resolution on a parity with the County's outstanding Sales Tax Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds"), Sales Tax Revenue Bonds, Series 2004A (the "Series 2004A Bonds"), Sales Tax Revenue Bonds, Series 2004B (the "Series 2004B Bonds"), Sales Tax Revenue Bonds Series 2006 (the "Series 2006 Bonds") and Sales Tax Revenue and Refunding Bond, Series 2009 (the "Series 2009 Bond" and together with the Series 2002 Bonds, the Series 2004A Bonds, the Series 2004B Bonds and the Series 2006 Bonds, the "Parity Obligations"). The Parity Obligations are currently outstanding in the aggregate principal amount of [\$112,550,000]. See "SECURITY FOR THE BONDS" and "SALES TAX REVENUES" herein.

No Redemption

The Series 2009A Bonds are not subject to redemption prior to their stated maturities.

Financial Guaranty Insurance Policy and Reserve Account Insurance Policy

Payment of the principal of and interest on the Series 2009A Bonds when due will be insured by a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") to be issued by Assured Guaranty Corp. (the "Insurer" or "Assured Guaranty") simultaneously with the delivery of the Series 2009A Bonds. See "FINANCIAL GUARANTY INSURANCE POLICY" herein. In addition, the Insurer will also issue its debt service reserve insurance policy (the "Reserve Policy") for deposit in the Reserve Account to fund the Reserve Account Requirement with respect to the Series 2009A Bonds. See "SECURITY FOR THE BONDS - Reserve Account" and "RESERVE POLICY" herein.

Additional Bonds

The County may issue Additional Bonds on a parity with the Series 2009A Bonds and the Parity Obligations subject to compliance with certain conditions set forth in the Resolution. The Series 2009A Bonds, the Parity Obligations and any Additional Bonds issued pursuant to the Resolution are collectively referred to herein as the "Bonds." See "SECURITY FOR THE SERIES 2009A BONDS – Additional Bonds" herein.

Tax Matters

In the opinion of Rogers Towers, P.A., Bond Counsel to the County, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2009A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Series 2009A Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2009A Bonds. See "TAX MATTERS" herein.

Continuing Disclosure

The County has agreed, for the benefit of Series 2009A Bondholders, to provide certain financial information and operating data relating to the County, the Pledged Funds and the Series 2009A Bonds pursuant to Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" herein.

Additional Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement contains certain information concerning the Insurer, the Financial Guaranty Insurance Policy and the Reserve Policy, and contains certain information concerning The Depository Trust Company, New York, New York ("DTC"), and its book-entry only system of registration. Such information has not been provided by the County and the County does not certify as to the accuracy or sufficiency of the disclosure practices or content of information provided by such parties and is not responsible for the information provided by such parties.

A copy of the Resolution and all documents of the County referred to herein may be obtained from either the office of the Clerk of the Circuit Court, 4010 Lewis Speedway, St. Augustine, Florida 32084, attention: Finance Department, telephone (904) 819-3600 or the County's Financial Advisor, Public Financial Management, Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone (407) 648-2208.

All information included herein has been provided by the County, except where attributed to other sources. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained from the County.

PLAN OF REFUNDING

Concurrently with the delivery of the Series 2009A Bonds, a portion of the proceeds of the Series 2009A Bonds, together with other legally available moneys of the County, shall be deposited into an escrow account (the "Escrow Account") pursuant to the terms and provisions of the Escrow Deposit Agreement between the County and Regions Bank, Jacksonville, Florida, as Escrow Agent thereunder (the "Escrow Deposit Agreement"). The moneys deposited pursuant to the Escrow Deposit Agreement shall be applied to the purchase of certain United States Treasury obligations (the "Federal Securities") so as to produce sufficient funds to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds. The Refunded Bonds will be called for redemption on _____, 2009 (the "Redemption Date") at a redemption price of ____% of the principal amount of such Refunded Bonds, plus accrued interest to the Redemption Date. Upon the deposit of such moneys in the Escrow Account, in the opinion of Bond Counsel, rendered in reliance upon certain mathematical computations performed [by Public Financial Management, Inc.,] as verified by Grant Thorton LLP (the "Verification Agent") as described below, the Refunded Bonds shall be deemed to be paid and legally defeased and shall no longer be deemed to be outstanding for purposes of the Resolution. The holders of the Refunded Bonds shall be entitled to payment solely out of the moneys and Federal Securities deposited pursuant to the Escrow Deposit

Agreement. The moneys and Federal Securities on deposit in the Escrow Account will not be available for payment of the Series 2009A Bonds.

Upon delivery of the Series 2009A Bonds, the Verification Agent will verify the accuracy of the arithmetical computations of the adequacy of the maturing principal amount of, and interest on the Federal Securities, together with any uninvested amounts, to be held in the Escrow Account to pay the principal, redemption premium and interest on the Refunded Bonds through the Redemption Date. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

DESCRIPTION OF THE SERIES 2009A BONDS

General

The Series 2009A Bonds will be dated and will mature in the years, and in the amounts and will bear interest at the rates set forth on the inside cover page of this Official Statement, will be numbered consecutively from R-1 upward and will be issued in the denominations of \$5,000 or integral multiples thereof.

Interest on the Series 2009A Bonds will be payable semiannually on October 1 and April 1 of each year commencing October 1, 2009 (each an "Interest Date") and is payable by Regions Bank, Jacksonville, Florida, as registrar and paying agent (the "Registrar" and the "Paying Agent"), to the owners in whose name the Series 2009A Bonds 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 each Interest Date. Principal of the Series 2009A Bonds is payable, when due, to the registered owners upon presentation and surrender at the designated corporate trust office of the Paying Agent.

While in book-entry only form, the foregoing payments will be made only to Cede & Co. as described below.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2009A Bonds. The Series 2009A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2009A Bonds and will be deposited with DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2009A BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2009A BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2009A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2009A BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2009A BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2009A BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2009A BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2009A BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2009A BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE COUNTY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard and Poor's highest rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2009A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2009A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2009A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2009A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2009A Bonds, except in the event that use of the book-entry system for the Series 2009A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2009A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2009A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2009A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2009A Bonds, such as defaults, and proposed amendments to the Series 2009A documents. For example, Beneficial Owners of Series 2009A Bonds may wish to ascertain that the nominee holding the Series 2009A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2009A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to

whose accounts the Series 2009A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2009A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent for the Series 2009A Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2009A Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2009A Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event, Series 2009A Bond certificates will be printed and delivered to DTC.

No Redemption of the Series 2009A Bonds

The Series 2009A Bonds are not subject to redemption prior to their stated maturities.

Interchangeability, Negotiability and Transfer

So long as DTC's book-entry only system of registration is in effect the registration and transfer of the Series 2009A Bonds shall be governed by DTC's policies and procedures as generally described under "DESCRIPTION OF THE SERIES 2009A BONDS - Book-Entry only System" herein.

The Series 2009A Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Holder, in accepting any Series 2009A Bonds shall be conclusively deemed to have agreed that

the same shall be and have all of said qualities and incidents of negotiable instruments. "Holder" is defined in the Resolution as the person in whose name any outstanding Bond is registered according to the registration books (the "Bond Register") maintained by the Registrar.

The transfer of Series 2009A Bonds shall be registered on the Bond Register upon delivery to the Registrar of the Series 2009A Bonds to be transferred, accompanied by a written instrument or instruments of transfer in form and with guaranty of signatures satisfactory to the Registrar, duly executed by the Holder of the Series 2009A Bonds to be transferred, or by such Holder's attorney duly authorized in writing, containing such identification information for the transferee as the Registrar shall reasonably require.

In all cases of the transfer of any Series 2009A Bond, the Registrar shall enter the transfer of ownership in the Bond Register and shall deliver in the name of the transferee or transferees a new registered Series 2009A Bond or Series 2009A Bonds of authorized denominations of the maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Resolution. The County or the Registrar may charge the owner of such Series 2009A Bond for every such transfer an amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may require that such charge be paid before any such new Series 2009A Bond shall be delivered.

The County and the Registrar shall not be required to issue or transfer any Series 2009A Bonds during the period beginning with the fifteenth (15) day next preceding any interest payment date.

New Series 2009A Bonds delivered upon any transfer shall be valid, limited obligations of the County, evidencing the same debt as the Series 2009A Bonds surrendered, shall be payable solely from the Pledged Funds and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2009A Bonds surrendered.

The County and the Registrar may treat the registered owner of any Series 2009A Bond as the absolute owner thereof for all purposes, whether or not such Series 2009A Bond shall be overdue, and any notice to the contrary shall not be binding upon the County or the Registrar.

SECURITY FOR THE BONDS

General

The payment of the principal of and interest on the Series 2009A Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds.

As described previously, the Pledged Funds include the Local Government Half-Cent Sales Tax, and all moneys on deposit to the credit of the funds and accounts established under the Resolution and the earnings on the investment thereof, all in the manner and to the extent described in the Resolution. "Local Government Half-Cent Sales Tax" is defined in the Resolution to mean all moneys allocated to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Part VI, Chapter 218, Florida Statutes. The Series 2009A Bonds are payable from the Pledged Funds on a parity, equally and ratably, with the Parity Obligations. In addition, the Series 2009A Bonds and certain series of the Parity Obligations are separately secured by different Reserve Instruments (as defined herein) on deposit in the Reserve Account. See "SECURITY FOR THE BONDS - Reserve Account" herein. For more information regarding the Local Government Half-Cent Sales Tax, see "SALES TAX REVENUES" herein.

THE SERIES 2009A BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS WITH AND TO THE EXTENT SET FORTH IN THE RESOLUTION AND ON PARITY WITH THE PARITY OBLIGATIONS. NO HOLDER OF ANY SERIES 2009A BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO PAY SUCH SERIES 2009A BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2009A BOND FROM ANY MONEYS OF THE COUNTY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

Funds and Accounts

Pursuant to the Resolution, the County has established the "Revenue Fund" and the "Sinking Fund." The County maintains in the Sinking Fund four accounts: the "Interest Account," the "Principal Account," the "Term Bonds Retirement Account," and the "Reserve Account." The County has also established the St. Johns County Sales Tax Revenue Refunding Bonds, Series 2009A, Costs of Issuance Account. All moneys deposited to the Revenue Fund shall be applied by the County only for and in the manner and order specified in the Resolution and generally described herein.

Flow of Funds

All Pledged Funds shall be deposited into the Revenue Fund promptly upon receipt. The Revenue Fund will be administered, held and applied only for the purpose and in the manner set forth in the Resolution.

Moneys on deposit in the Revenue Fund shall be applied by the County on or before the twenty-fifth (25th) day of each month only in the following manner and in the following order of priority:

(1) After appropriate adjustments for the amount of accrued interest deposited therein from the Bonds proceeds, the County shall deposit in the Interest Account the sum which, together with any investment earnings in the Interest Account not theretofore allocated to supplement any previous monthly deposit to the credit of the Interest Account, will be sufficient to pay one-sixth (1/6) of all interest becoming due on the Bonds on the next semi-annual interest payment date, plus the full balance of any continuing deficiencies in prior deposits to the Interest Account; and

(2) The County shall next deposit in the Principal Account, the sum which, together with any investment earnings in the Principal Account not theretofore allocated to supplement any previous monthly deposit to the credit of the Principal Account, will be sufficient to pay one-twelfth (1/12) of the principal amount of all Serial Bonds maturing in the current Bond Year, if any, plus the full balance of any continuing deficiencies in prior deposits to the Principal Account; and

(3) The County shall next deposit in the Term Bonds Retirement Account, a sum which will be sufficient to pay one-twelfth (1/12) of the Amortization Installment, if any, of the then current Bond Year, plus the full balance of any continuing deficiencies in prior deposits to the Term Bonds Retirement Account; and

(4) The County shall next deposit to the credit of the Reserve Account such sum, if any, as will be necessary to immediately restore the funds on deposit therein to an amount equal to the Reserve Account Requirement including the reinstatement of any Reserve Instrument, such as the Prior Reserve Policies (as defined herein) and the Reserve Policy, on deposit therein or the cash replacement thereof. Moneys in the Reserve Account shall be applied to the payment of the principal of or interest on the Bonds to the extent the moneys in the Sinking Fund are insufficient for such purpose.

Moneys in the Interest Account shall be used to pay interest on the Bonds as and when the same shall become due, and for no other purpose. Moneys in the Principal Account shall be used to pay the principal of the Bonds as and when the same shall mature, or upon the redemption of all of the Bonds, and for no other purpose. Moneys in the Reserve Account shall be used to pay maturing principal of or interest on the Bonds when the moneys in the Interest Account, the Principal Account or the Term Bonds Retirement Account, shall be insufficient therefor, or upon the redemption of all of the Bonds, and for no other purpose. The County shall not be required to make any deposit to the Reserve Account when the aggregate amounts on deposit therein, whether in the form of cash, or any Reserve Instrument, equals or exceeds the Reserve Account Requirement. The County shall not be required to make any further deposits to any account in the Sinking Fund when the aggregate of the sums deposited to the several

accounts in the Sinking Fund are at least equal to the aggregate principal amount of Bonds issued pursuant to the Resolution then outstanding, plus the amount of interest then due or thereafter to become due on Bonds then outstanding.

Moneys in the Term Bonds Retirement Account shall be used only for the purpose of (i) paying Term Bonds at maturity or retiring the same prior to maturity by optional redemption or by purchase in the open market at purchase prices not exceeding the respective optional redemption prices applicable at the dates of purchase, or (ii) purchasing or redeeming Term Bonds for which mandatory redemption shall be required.

The balance of any moneys remaining in the Revenue Fund on the twenty-fifth (25th) day of each month, after all of the above required transfers and deposits have been made, may be used by the County for any lawful County purpose.

The Resolution creates a lien upon the foregoing funds and accounts in favor of the Holders of the Bonds until the moneys deposited therein have been applied in accordance with the Resolution. All such funds shall be continuously secured in the same manner as county deposits are required to be secured by the laws of the State of Florida. Moneys in the Reserve Account may be invested and reinvested in Authorized Investments (as defined in the Resolution) maturing not later than the final maturity date of the Bonds. Moneys in the other funds and accounts created by the Resolution may be invested in Authorized Investments maturing not later than the date on which the moneys therein will be needed. Any and all income received by the County from the investment of moneys in the Revenue Fund, the Reserve Account and the Term Bonds Retirement Account shall be deposited into the Revenue Fund. Any and all moneys received by the County from the investment of moneys in the Principal Account or Interest Account shall be retained in or deposited into such respective account.

Reserve Account

The Resolution requires the establishment and maintenance of a Reserve Account in an amount equal to the Reserve Account Requirement for the benefit of the owners of the Bonds. The Reserve Account Requirement is defined in the Resolution as the lesser of (i) Maximum Bond Service Requirement for all outstanding Bonds and Additional Bonds (as defined herein), (ii) 125% of average annual debt service for all outstanding Bonds and Additional Bonds, or (iii) 10% of the proceeds of all outstanding Bonds and Additional Bonds. The Resolution permits the Reserve Account Requirement to be funded by cash or by an insurance policy, surety bond, irrevocable letter of credit or guaranty policy issued in compliance with the Resolution (a "Reserve Instrument").

"Maximum Bond Service Requirement," as of any particular date of calculation, is defined in the Resolution as an amount equal to the largest Bond Service Requirement for the then current or any future Bond Year.

"Bond Year" is defined in the Resolution as the period commencing on the first day after the dated date of the Bonds and on the first day after the anniversary each year of the dated date of the Bonds and ending on the succeeding anniversary of the dated date of the Bonds, and each Bond Year shall be designated with the number of the calendar year in which such Bond Year ends.

"Bond Service Requirement" with respect to the Bonds, for any Bond Year, is defined in the Resolution as the sum of: (i) the aggregate amount of interest becoming due on the Bonds during such Bond Year; (ii) the aggregate amount of principal of any serial Bonds maturing in such Bond Year; and (iii) any Amortization Installment applicable to such Bond Year.

"Amortization Installment" is defined in the Resolution as an amount designated as such and established for the payment in any Bond Year of the principal of any term Bonds, by resolution of the County adopted on or prior to the issuance date of such Bonds; provided, that (i) each such Amortization Installment shall be deemed to be due on the final day of each applicable Bond Year and shall be an integral multiple of \$5,000 and (ii) the aggregate of the Amortization Installments shall equal the aggregate amount of term Bonds authenticated and delivered on original issuance.

Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of or interest or Amortization Installments on the Bonds issued pursuant to the Resolution when the other moneys in the Sinking Fund are insufficient therefor, and for no other purpose.

Pursuant to the Resolution, upon delivery of the Series 2009A Bonds, the County shall deposit to the Reserve Account, the Reserve Policy issued by the Insurer. See "RESERVE POLICY" herein. The amount of such Reserve Policy is equal to \$_____, which is equal to the Reserve Account Requirement with respect to the Series 2009A Bonds. In addition to the Reserve Policy, there is also on deposit in the Reserve Account cash and investments in the amount of \$1,915,764 (the "Cash Deposit"), three reserve account insurance policies (the "Prior Reserve Policies") previously issued by MBIA Insurance Corporation (succeeded by National Public Finance Guarantee Corporation), Financial Security Assurance Inc. and Ambac Assurance Corporation (the "Reserve Instrument Providers"). The Cash Deposit was deposited into the Reserve Account in connection with the issuance of the Series 2009 Bond in order to satisfy the Reserve Account Requirement with respect to the Series 2009 Bond. The Prior Reserve Policies were deposited into the Reserve Account in connection with the issuance of the other Parity Obligations in order to satisfy the Reserve Account Requirements with respect to such Parity Obligations. The Prior Reserve Policies do not secure the Series 2009A Bonds. The Reserve Policy shall only secure the Series 2009A Bonds and will not secure the Parity Obligations. Pursuant to the provisions of the Resolution, any cash on deposit in the Reserve Account, including the Cash Deposit,

must be expended for the purposes of the Reserve Account prior to any claims being made against a Reserve Instrument.

When the Prior Reserve Policies were issued, each Reserve Instrument Provider was rated in the highest ratings category by each of the major rating agencies. Since the issuance of the Prior Reserve Policies, each Reserve Instrument Provider has been downgraded. Information regarding ratings for the Reserve Instrument Providers and an explanation of the significance of the ratings is available from the rating agencies at the following addresses: Standard & Poor's Ratings Services, 55 Water Street, 38th Floor, New York, New York 10041; Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007; and Fitch Ratings, One State Street Plaza, New York, New York 10004.

See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" for more information concerning the Reserve Account and use of Reserve Instruments such as the Reserve Policy.

Additional Bonds

No additional series of bonds, payable on a parity with the Bonds then outstanding pursuant to the Resolution ("Additional Bonds"), shall be issued except upon the conditions and in the manner provided in the Resolution. The County may issue Additional Bonds payable from the Pledged Funds on a parity with the Series 2009A Bonds and the Parity Obligations then outstanding pursuant to the Resolution, provided that the County is in compliance with all covenants and undertakings of the County (1) contained in the Resolution, in connection with all Bonds then outstanding, and (2) made with respect to any other bonds or other obligations of the County payable from the Pledged Funds or any part thereof and has not been in default as to any payments required to be made under the Resolution during at least the next preceding 24 months, or if at any such time the Bonds shall not have been outstanding for 24 months, then for the period that the Bonds shall have been outstanding.

In addition, there shall have been obtained and filed with the County a statement of an independent certified public accountant of suitable experience and responsibility: (i) stating that he has examined the books and records of the County relating to the collection and receipt of the Pledged Funds; (ii) setting forth the amount of the Pledged Funds received by the County for any twelve (12) consecutive month period within the eighteen (18) consecutive months immediately preceding the date of the issuance of the Additional Bonds with respect to which such statement is made; (iii) stating that the aggregate amount of the Pledged Funds for such twelve (12) consecutive month period equals or exceeds 125% of the maximum amount required in any subsequent fiscal year for the payment of the principal of and interest on the Bonds then outstanding and the Additional Bonds with respect to which such statement is made. If, during such twelve (12) consecutive month period, the moneys allocated to the County from the Local

Government Half-Cent Sales Tax Clearing Trust Fund shall have increased pursuant to applicable legislation permitting the pledging of such increase in the manner provided in the Resolution, the amount of the Pledged Funds stated for such twelve (12) consecutive month period may be adjusted to reflect an amount which would have been allocated to the County had such increased rate been in effect throughout the entire term of such twelve (12) consecutive month period.

The County has the right to issue one or more additional series of bonds which shall be junior and subordinate in all respects to the lien of the Bonds on the Pledged Funds.

Receipt of Sales Tax Revenues

The County has covenanted in the Resolution to comply with all of the provisions of Part VI of Chapter 218, Florida Statutes, as amended, and all applicable regulations thereunder, in order that the County shall at all times receive the maximum allocation which it may be entitled to receive from the Local Government Half-Cent Sales Tax Clearing Trust Fund. The County agrees not to knowingly acquiesce in any attempt to eliminate or reduce the rate of the sales tax or the base upon which it is imposed, if such reduction will result in diminishing the sales tax proceeds it receives in each future fiscal year below an amount equal to 1.25 times the principal of and interest on the Bonds due in such year, and will vigorously resist all such attempts by others to eliminate or reduce the same. The County has agreed in the Resolution to comply at all times with the eligibility requirement for participation in distributions received from the Trust Fund. If for any reason the sales tax proceeds are not legally sufficient to produce the full amount of sales tax proceeds which such sales tax might produce in order to meet all of the requirements of the Resolution, the County has covenanted in the Resolution, to the extent permitted by law, to take all action reasonably practicable and feasible to cause the same to be replaced by another equivalent source of available non-ad valorem revenues and will dedicate such revenues to the replacement of the Pledged Funds, to the extent necessary.

SALES TAX REVENUES

General

The Local Government Half-Cent Sales Tax consists of all moneys now or hereafter allocated to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund (the "Trust Fund") pursuant to the provisions of Chapter 218, Part VI, Florida Statutes, as amended.

The State of Florida (the "State") levies and collects a sales tax on, among other things, the sales price of each item or article of tangible personal property sold at retail in

the State, subject to certain exceptions and dealer allowances. In 1982, the Florida legislature created the Local Government Half-Cent Sales Tax Program (the "Local Government Half-Cent Sales Tax Program") which distributes a portion of the sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet certain eligibility requirements. In 1982, when the Local Government Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Local Government Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Local Government Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized.

Section 212.20, Florida Statutes, provides for the distribution of sales tax revenues collected by the State and further provides for the distribution of a portion of sales tax revenues to the Trust Fund, after providing for transfers to the General Fund and the Ecosystem Management and Restoration Trust Fund. From 1993 until July 1, 2003, the proportion of sales tax revenues deposited in the Trust Fund had been constant at 9.653% of all state sales tax remitted to the State by a sales tax dealer located within a participating county. In 2003, the Florida Legislature, pursuant to Chapter 2003-404, Laws of Florida, amended Section 212.20(6)(d)3., Florida Statutes, to reduce the amount of sales tax revenue transferred to the Trust Fund by 0.1 percent, effective July 1, 2003. Therefore, effective July 1, 2003, 9.643% of the entire sales tax remitted to the State by each sales tax dealer located within a particular county (the "Local Government Half-Cent Sales Tax Revenues") was deposited in the Trust Fund and earmarked for distribution to the governing body of such county and each participating municipality within that county pursuant to a distribution formula. During the special legislative session ended May 27, 2003, pursuant to Chapter 2003-402, Laws of Florida, the Florida Legislature further amended Section 212.20(6)(d)3., Florida Statutes, to provide that effective July 1, 2004, the base percentage of sales tax proceeds to be deposited in the Trust Fund after certain required deposits to other State funds, would be reduced to 8.814%. The legislative intent of Chapter 2003-402, Laws of Florida, was to freeze for one fiscal year the total amount of Local Government Half-Cent Sales Tax Revenues distributed to the counties and municipalities throughout the State at the level of such distributions for the State fiscal year ended June 30, 2004. The combined effect of Chapter 2003-404, Laws of Florida, and Chapter 2003-402, Laws of Florida, was that, as of July 1, 2004, the percentage of Local Government Half-Cent Sales Tax Revenues deposited in the Trust Fund was effectively reduced to 8.805%. The general rate of sales tax in the State is currently 6.00%. After taking into account the distributions to the General Fund (historically 5% of taxes collected) and the Ecosystem Management and Restoration Trust Fund (.2% of the taxes collected), and after taking into account the cumulative effect of the amendments enacted by Chapters 2003-402 and 2003-404, Laws

of Florida, effective July 1, 2004, for every dollar of taxable sales price of an item, approximately 0.501 cents is deposited into the Trust Fund.

The Local Government Half-Cent Sales Tax Revenues are distributed from the Trust Fund on a monthly basis to participating units of local government in accordance with Part VI, Chapter 218, Florida Statutes (the "Sales Tax Act"). Florida law also allows counties to impose a sales surtax of up to 1% to fund infrastructure improvements upon approval by a vote of the electors. The County has not imposed such surtax.

As of October 1, 2001, the Trust Fund began receiving a portion of certain taxes imposed by the State on the sales of communication services (the "CST Revenues") pursuant to Chapter 202, Florida Statutes (the "CST Law"). Accordingly, moneys distributed from the Trust Fund now consist of funds derived from both general sales tax proceeds and CST Revenues required to be deposited into the Trust Fund. All moneys distributed to the County from the Trust Fund (whether derived for the general sales tax or from CST Revenues) constitute Local Government Half-Cent Sales Tax Revenues for purposes of the Resolution and are a part of the Pledged Funds pledged to the payment of the Bonds. Moneys received by the County pursuant to the CST Law that are not deposited in the Trust Fund do not constitute Local Government Half Cent Sales Tax and are not pledged to the payment of the Bonds pursuant to the Resolution.

See "- Historical Receipts of Local Government Half-Cent Sales Tax by the County" herein for the amount of the Local Government Half-Cent Sales Tax received by the County in fiscal years 2004-2008 and for the six-month periods ended March 31, 2008 and March 31, 2009.

Eligibility

To be eligible to participate in the Local Government Half-Cent Sales Tax Program, each municipality and county is required to have:

- (i) reported its finances for its most recently completed fiscal year to the State Department of Financial Services as required by Florida law;
- (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of three (3) mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such three (3) mill ad valorem tax, to have collected an occupational license tax, utility tax, ad

valorem tax, or (in the case of a municipality) certain remittances from the county in which the municipality is located, or any combination of those four sources;

(iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;

(v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;

(vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and

(vii) certified to the Florida Department of Revenue that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county or municipality as required by law.

Although the Sales Tax Act does not impose any limitation on the number of years during which a county or municipality may receive distributions of the Local Government Half-Cent Sales Tax Revenues from the Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Local Government Half-Cent Sales Tax Revenues, or the distribution formulas in Sections 212.20(6)(d) or 218.62, Florida Statutes, may be revised. To be eligible to participate in the Trust Fund in future years, the County must comply with the financial reporting and other requirements of the Sales Tax Act. Otherwise, the County would lose its Trust Fund distributions for twelve (12) months following a "determination of noncompliance" by the State Department of Revenue. Pursuant to the Resolution, the County has covenanted to take all action necessary or required to continue to entitle the County to receive its portion of the Local Government Half-Cent Sales Tax Revenues. The County has always maintained eligibility to receive the Local Government Half-Cent Sales Tax Revenues.

[Remainder of page intentionally left blank]

Distribution

The Local Government Half-Cent Sales Tax collected within a county and distributed to participating local government units is distributed among such county and municipalities therein in accordance with the formula detailed in Section 218.62, Florida Statutes and shown below (the "Distribution Factor"):

$$\begin{array}{lcl} \text{County's Share (percentage of total} & = & \text{unincorporated area} \\ \text{Local Government Half-Cent Sales} & & \text{population} \\ \text{Tax receipts)} & & \text{total county} \\ & & \text{population} \end{array} + \frac{\text{2/3 incorporated area population}}{\text{2/3 incorporated area population}}$$

$$\begin{array}{lcl} \text{Each Municipality's Share (percentage of total} & & \\ \text{Local Government Half-Cent Sales Tax} & = & \frac{\text{municipality population}}{\text{total county population}} \\ \text{receipts)} & & + \frac{\text{2/3 incorporated area population}}{\text{2/3 incorporated area population}} \end{array}$$

"Population" is based upon the latest official State of Florida estimate of population certified prior to the beginning of the local government fiscal year and is computed as the number of residents, employing the same general guidelines used by the United States Bureau of the Census. For purposes of the distribution factor, inmates, and patients residing in institutions operated by the federal government, the Department of Corrections, the Department of Health, or the Department of Children and Family Services shall not be considered to be residents of the governmental unit in which the institutions are located. Should any unincorporated area of a county become incorporated as a municipality, the share of the Local Government Half-Cent Sales Tax received by such county may be reduced.

[Remainder of page intentionally left blank]

Distribution Percentages

Below are the approximate distribution percentages with respect to the Local Government Half-Cent Sales Tax receipts for St. Johns County and for the municipalities within St. Johns County (St. Augustine, Hastings and St. Augustine Beach) for the past five years:

St. Johns County and Municipalities Percent of Total Local Government Half-Cent Sales Tax Revenues Last Five Years

<u>State Fiscal Year Ended June 30</u>	<u>St. Johns County</u>	<u>Municipalities</u>
2004	87.5%	12.5%
2005	87.5	12.5
2006	87.9	12.1
2007	88.2	11.8
2008	88.6	11.4

Source: Department of Revenue, State of Florida.

Changes in Distribution and Collections

The amount of Local Government Half-Cent Sales Tax revenues distributed to the County is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the County, (ii) legislative changes relating to the sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Trust Fund, (iii) changes in the relative population of the County to the relative population of unincorporated St. Johns County and the other municipalities in St. Johns County, which affect the percentage of Local Government Half-Cent Sales Tax distributed to the County, and (iv) other factors which may be beyond the control of the County or the Series 2009A Bondholders, including but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax collected by the State and then distributed to the County.

[Remainder of page intentionally left blank]

Historical Receipts of Local Government Half-Cent Sales Tax by the County

The following table shows the Local Government Half-Cent Sales Tax received by the County for the last five fiscal years:

<u>County Fiscal Year Ended September 30</u>	<u>Local Government Half-Cent Sales Tax</u>	<u>Percentage Change</u>
2004	\$10,510,586	--
2005	11,003,129	4.69%
2006	12,334,496	12.10
2007	12,442,597	0.88
2008	12,077,387	(2.94)

Source: St. Johns County Finance Department.

The following table shows a comparison of Local Government Half-Cent Sales Tax received by the County for the six-months ended March 31, 2008 and March 31, 2009:

<u>Six-Months Ended March 31</u>	<u>Local Government Half-Cent Sales Tax</u>	<u>Percentage Change</u>
2008	\$5,951,509	--
2009	5,444,718	(8.52%)

Source: St. Johns County Finance Department.

Pro-Forma Debt Service Coverage

<u>Maximum Annual Debt Service⁽¹⁾</u>	<u>Local Government Half-Cent Sales Tax for the Fiscal Year Ended September 30, 2008</u>	<u>Pro-Forma Debt Service Coverage</u>
8,701,254	\$12,077,387	1.39x

(1) Includes actual debt service for the Refunded Bonds and the Parity Obligations. Does not take into account estimated debt service on the Series 2009A Bonds or the refunding of the Refunded Bonds.

Source: St. Johns County Finance Department.

Economic Impacts on Local Government Half-Cent Sales Tax Revenues

Sales tax revenues are subject to fluctuation and may be greatly affected by economic conditions at the international, national, state and local levels. The short and long term effects of adverse economic conditions and other matters (such as war and terrorist activity) can have an adverse effect on the level of sales tax receipts. Future sales tax receipts could differ significantly from historical receipts performance as

reflected in this Official Statement. Furthermore, because the County is heavily dependant upon tourism revenues, Local Government Half-Cent Sales Tax distributions to the County could decrease at a disproportionate rate when compared to State sales tax revenues and Local Government Half-Cent Sales Tax distributions to other counties if tourism to the County is reduced.

Projected Local Government Half-Cent Sales Tax for the fiscal year ending September 30, 2009 equals \$11,087,128, as provided by the Florida Department of Revenue's Office of Tax Research. Such projected amount is 8.1% lower than the actual Local Government Half-Cent Sales Tax received by the County in the 2008 fiscal year and 8.9% lower than the amount of Local Government Half-Cent Sales Tax the County budgeted for the 2009 fiscal year (\$12,073,431). The County is currently determining its budget for the fiscal year ending September 30, 2010 and presently estimates the Local Government Half-Cent Sales Tax for the 2010 fiscal year to be \$11,087,128. The County's Office of Management and Budget currently estimates that the first half of fiscal year 2010 will show a further decline with offsetting gains in the second half of the year, resulting in no change in Local Government Half-Cent Sales Tax received compared to the amount currently projected to be received for the fiscal year ending September 30, 2009.

[Remainder of page intentionally left blank]

ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of funds relating to the sale of the Series 2009A Bonds:

SOURCES

Principal Amount of Series 2009A Bonds \$ _____

Net Original Issue Discount/Premium _____

TOTAL SOURCES \$ _____

USES:

Deposit to Escrow Account \$ _____

Costs of Issuance⁽¹⁾ _____

TOTAL USES \$ _____

(1) Includes Financial Guaranty Insurance Policy premium, Reserve Policy premium, Underwriter's discount, financial advisory and legal fees and expenses, and other costs of issuance related to the Series 2009A Bonds.

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULE

Debt service requirements for the Series 2009A Bonds and the Parity Bonds are as follows⁽¹⁾:

Bond Year Ending October 1	Series 2009A Bonds					
	Series 2002 Bonds	Series 2004A Bonds	Series 2004B Bonds	Series 2006 Bonds	Series 2009 Bond	Total Annual Debt Service
2009	\$968,411.26	\$1,844,412.50	\$262,998.76	\$2,990,950.00	\$1,104,188.80	
2010	971,131.26	1,842,162.50	262,998.76	2,986,150.00	1,913,688.00	
2011	966,556.26	1,839,837.50	262,998.76	2,990,350.00	1,915,764.00	
2012		1,762,400.00	427,998.76	2,993,150.00	1,910,844.00	
2013		1,762,400.00	432,223.76	2,989,550.00	1,914,177.50	
2014		1,762,400.00	430,923.76	2,999,750.00	1,905,265.50	
2015		1,762,400.00	429,173.76	2,997,000.00	1,909,607.00	
2016		1,762,400.00	432,143.76	2,989,250.00	1,911,453.50	
2017		1,762,400.00	429,343.76	2,994,500.00	1,910,805.00	
2018		1,762,400.00	431,343.76	2,992,000.00	1,907,661.50	
2019		1,767,400.00	432,681.26	2,992,000.00	1,907,023.00	
2020		3,367,187.50	428,331.26	2,989,250.00	1,913,640.00	
2021		3,367,925.00	428,768.76	2,988,750.00	1,912,013.50	
2022		3,364,200.00	428,487.50	2,995,250.00	1,912,393.00	
2023		3,366,012.50	432,462.50	2,988,250.00	1,914,529.00	
2024		3,366,862.50	428,812.50	2,988,250.00	1,913,172.00	
2025		3,364,112.50	429,637.50	2,989,750.00	1,913,322.00	
2026		3,366,612.50	429,675.00	2,992,500.00	1,909,729.50	
2027		3,364,250.00	428,925.00	2,991,250.00	1,912,394.50	
2028		3,365,862.50	432,387.50	2,991,000.00	1,910,818.00	
2029		3,366,175.00	429,800.00	2,991,500.00		
2030		3,364,925.00	431,425.00	2,992,500.00		
2031		3,365,000.00	432,000.00	2,988,750.00		
2032		3,365,362.50	431,525.00	2,995,250.00		
2033		3,368,112.50		2,381,250.00		
2034		3,368,000.00		2,382,500.00		
2035				5,749,500.00		
2036				5,748,750.00		
TOTALS	\$2,906,098.78	\$70,121,212.50	\$9,827,066.38	\$88,058,900.00	\$37,422,489.30	

(1) Assumes that all of the Series 1998 Bonds are refunded in connection with the issuance of the Series 2009A Bonds.

FINANCIAL GUARANTY INSURANCE POLICY

The scheduled payment of the principal and interest on the Series 2009A Bonds when due will be guaranteed under the Financial Guaranty Insurance Policy issued by Assured Guaranty Corp. (the "Insurer" or "Assured Guaranty") concurrently with the delivery of the Series 2009A Bonds.

The following information is not complete and reference is made to Appendix E for a Specimen of the Financial Guaranty Insurance Policy of the Insurer.

The Financial Guaranty Insurance Policy

The Insurer has made a commitment to issue the Financial Guaranty Insurance Policy relating to the Series 2009A Bonds, effective as of the date of issuance of such Series 2009A Bonds. Under the terms of the Financial Guaranty Insurance Policy, the Insurer will unconditionally and irrevocably guarantee to pay that portion of principal of and interest on the Series 2009A Bonds that becomes Due for Payment but shall be unpaid by reason of Nonpayment (the "Insured Payments"). Insured Payments shall not include any additional amounts owing by the County solely as a result of the failure by the Paying Agent to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Paying Agent by reason of such failure. The Financial Guaranty Insurance Policy is non-cancelable for any reason, including without limitation the non-payment of premium.

"Due for Payment" means, when referring to the principal of the Series 2009A Bonds, the stated maturity date thereof, or the date on which such Series 2009A Bonds shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless the Insurer in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and, when referring to interest on such Series 2009A Bonds, means the stated dates for payment of interest.

"Nonpayment" means the failure of the County to have provided sufficient funds to the Paying Agent for payment in full of all principal and interest Due for Payment on the Series 2009A Bonds. It is further understood that the term Nonpayment in respect of an Series 2009A Bond also includes any amount previously distributed to the Holder (as such term is defined in the Financial Guaranty Insurance Policy) of such Series 2009A Bond in respect of any Insured Payment by or on behalf of the County, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in

accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. Nonpayment does not include nonpayment of principal or interest caused by the failure of the Paying Agent to pay such amount when due and payable.

The Insurer will pay each portion of an Insured Payment that is Due for Payment and unpaid by reason of Nonpayment, on the later to occur of (i) the date such principal or interest becomes Due for Payment, or (ii) the business day next following the day on which the Insurer shall have received a completed notice of Nonpayment therefor in accordance with the terms of the Financial Guaranty Insurance Policy.

The Insurer shall be fully subrogated to the rights of the Holders of the Series 2009A Bonds to receive payments in respect of the Insured Payments to the extent of any payment by the Insurer under the Financial Guaranty Insurance Policy.

The Financial Guaranty Insurance Policy is not covered by any insurance or guaranty fund established under New York, California, Connecticut or Florida insurance law.

The Insurer

General

The Insurer is a Maryland-domiciled insurance company regulated by the Maryland Insurance Administration and licensed to conduct financial guaranty insurance business in all fifty states of the United States, the District of Columbia and Puerto Rico. The Insurer commenced operations in 1988. The Insurer is a wholly owned, indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, structured finance and mortgage markets. Neither AGL nor any of its shareholders is obligated to pay any debts of the Insurer or any claims under any insurance policy issued by the Insurer.

The Insurer is subject to insurance laws and regulations in Maryland and in New York (and in other jurisdictions in which it is licensed) that, among other things, (i) limit the Insurer's business to financial guaranty insurance and related lines, (ii) prescribe minimum solvency requirements, including capital and surplus requirements, (iii) limit classes and concentrations of investments, (iv) regulate the amount of both the aggregate and individual risks that may be insured, (v) limit the payment of dividends by the Insurer, (vi) require the maintenance of contingency reserves, and (vii) govern changes in control and transactions among affiliates. Certain state laws to which the Insurer is subject also require the approval of policy rates and forms.

The Insurer's financial strength is rated "AAA" (stable) by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), "Aa2" (on review for possible downgrade) by Moody's Investors Service, Inc. ("Moody's") and "AA" (evolving) by Fitch, Inc. ("Fitch"). Each rating of the Insurer should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by the Insurer. The Insurer does not guaranty the market price of the securities it guarantees, nor does it guaranty that the ratings on such securities will not be revised or withdrawn.

Recent Developments

Ratings

On May 20, 2009, Moody's issued a press release stating that it had placed the "Aa2" insurance financial strength rating of the Insurer on review for possible downgrade. Reference is made to the press release, a copy of which is available at www.moody.com, for the complete text of Moody's comments.

In a press release dated May 4, 2009, Fitch announced that it had downgraded the insurer financial strength rating of the Insurer to "AA" from "AAA" and placed such rating on Rating Watch Evolving. Reference is made to the press release, a copy of which is available at www.fitchratings.com, for the complete text of Fitch's comments.

There can be no assurance as to the outcome of Moody's review or the timing of when such review may be completed, as to the further action that Fitch may take with respect to the Insurer, or as to any action that S&P may take in the future with respect to the Insurer's financial strength and financial enhancement ratings.

For more information regarding the Insurer's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which was filed by AGL with the Securities and Exchange Commission ("SEC") on February 26, 2009, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009, which was filed by AGL with the SEC on May 11, 2009.

Agreement to Purchase FSA

On November 14, 2008, AGL announced that it had entered into a definitive agreement to purchase Financial Security Assurance Holdings Ltd. ("FSA"), the parent of financial guaranty insurance company Financial Security Assurance, Inc. For more

information regarding the proposed acquisition by AGL of FSA, see the Annual Report on Form 10-K filed by AGL with the SEC on February 26, 2009.

Capitalization of the Insurer

As of March 31, 2009, Assured Guaranty had total admitted assets of \$1,926,329,505 (unaudited), total liabilities of \$1,570,615,119 (unaudited), total surplus of \$355,714,386 (unaudited) and total statutory capital (surplus plus contingency reserves) of \$1,109,717,908 (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of December 31, 2008, Assured Guaranty had total admitted assets of \$1,803,146,295 (unaudited), total liabilities of \$1,425,012,944 (unaudited), total surplus of \$378,133,351 (unaudited) and total statutory capital (surplus plus contingency reserves) of \$1,090,288,113 (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. The Maryland Insurance Administration recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Maryland Insurance Code, and for determining whether its financial condition warrants the payment of a dividend to its stockholders. No consideration is given by the Maryland Insurance Administration to financial statements prepared in accordance with accounting principles generally accepted in the United States in making such determinations.

Incorporation of Certain Documents by Reference

The portions of the following documents relating to the Insurer are hereby incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- The Annual Report on Form 10-K of AGL for the fiscal year ended December 31, 2008 (which was filed by AGL with the SEC on February 26, 2009);
- The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 (which was filed by AGL with the SEC on May 11, 2009); and
- The Current Reports on Form 8-K filed by AGL with the SEC, as they relate to the Insurer.

All consolidated financial statements of the Insurer and all other information relating to the Insurer included in documents filed by AGL with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this Official Statement and prior to the termination of the offering of the Series 2009A Bonds shall be deemed to be incorporated by reference into

this Official Statement and to be a part hereof from the respective dates of filing such consolidated financial statements.

Any statement contained in a document incorporated herein by reference or contained herein under the heading "FINANCIAL GUARANTY INSURANCE POLICY – The Insurer" shall be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any subsequently filed document which is incorporated by reference herein also modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

Copies of the consolidated financial statements of the Insurer incorporated by reference herein and of the statutory financial statements filed by the Insurer with the Maryland Insurance Administration are available upon request by contacting the Insurer at 1325 Avenue of the Americas, New York, New York 10019 or by calling the Insurer at (212) 974-0100. In addition, the information regarding the Insurer that is incorporated by reference in this Official Statement that has been filed by AGL with the SEC is available to the public over the Internet at the SEC's web site at <http://www.sec.gov> and at AGL's web site at <http://www.assuredguaranty.com>, from the SEC's Public Reference Room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the office of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

The Insurer makes no representation regarding the Series 2009A Bonds or the advisability of investing in the Series 2009A Bonds. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer supplied by the Insurer and presented under this heading, "FINANCIAL GUARANTY INSURANCE POLICY."

No representation is made by the County or the Underwriter of the Series 2009A Bonds as to the accuracy or adequacy of the information contained under the heading "Financial Guaranty Insurance Policy" or that there has not been any material adverse change in such information subsequent to the date of such information. Neither the County nor the Underwriter of the Series 2009A Bonds made any investigation into the financial condition of the Insurer, and no representation is made as to the ability of the Insurer to meet its obligations under the Financial Guaranty Insurance Policy.

RESERVE POLICY

Assured Guaranty has made a commitment to issue the Reserve Policy for the Reserve Account with respect to the Series 2009A Bonds effective as of the date of issuance of such Series 2009A Bonds. Under the terms of the Reserve Policy, the Insurer

will unconditionally and irrevocably guarantee to pay that portion of the scheduled principal and interest on the Series 2009A Bonds that becomes due for payment but shall be unpaid by reason of nonpayment by the County (the "Insured Payments").

The Insurer will pay each portion of an Insured Payment that is due for payment and unpaid by reason of nonpayment by the County to the Paying Agent, as beneficiary of the Reserve Policy on behalf of the holders of the Series 2009A Bonds on the later to occur of (i) the date such scheduled principal or interest becomes due for payment or (ii) the business day next following the date on which the Insurer receives a demand for payment therefore in accordance with the terms of the Reserve Policy.

No payment would be made under the Reserve Policy in excess of \$_____ (the "Reserve Account Insurance Policy Limit"). Pursuant to the terms of the Reserve Policy, the amount available at any particular time to be paid to the Paying Agent would automatically be reduced to the extent of any payment made by the Insurer under the Reserve Policy, provided, that, to the extent of the reimbursement of such payment to the Insurer, the amount available under the Reserve Policy would be reinstated in full or in part, in an amount not to exceed the Reserve Account Insurance Policy Limit.

The Reserve Policy does not insure against nonpayment caused by the insolvency or negligence of the Paying Agent.

The Reserve Policy is not covered by any insurance or guaranty fund established under New York, California, Connecticut or Florida insurance law.

No representation is made by the County or the Underwriter of the Series 2009A Bonds as to the accuracy or adequacy of the information under this heading, "RESERVE POLICY," or that there has not been any material adverse change in such information subsequent to the date of such information. Neither the County nor the Underwriter of the Series 2009A Bonds made any investigation into the financial condition of the Insurer, and no representation is made as to the ability of the Insurer to meet its obligations under the Reserve Policy.

INVESTMENT POLICY

The moneys held in the funds and accounts under the Resolution may only be invested in Authorized Investments (as defined in the Resolution).

Pursuant to the requirements of Section 218.415, Florida Statutes, the County adopted Resolution No. 2001-58 on March 27, 2001, establishing the County's current written investment policy which applies to all financial assets of the County, excluding pension funds, funds related to debt that are governed by other policies or indentures, funds held by state agencies and financial assets under the direct control of constitutional officers.

The objectives of the investment policy, listed in order in order of importance, are:

1. Safety of principal;
2. Maintenance of liquidity; and
3. Return on investment.

The investment policy limits the types of investments eligible for inclusion in the County's portfolio. The investment policy also establishes criteria for suitable financial institutions with which the County will conduct business. Internal controls and investment procedures are provided for in the policy as are competitive bidding requirements.

To enhance safety, the investment policy requires the diversification of the portfolio to reduce the risk of loss resulting from over-concentration of assets in a specific class of security. The investment policy provides guidelines for diversification, setting forth maximum percentages for the various allowable investments. The policy also provides maturity and liquidity requirements for investments. The responsibility for the administration of the investment program is granted to the County's Finance Director.

The investment policy may be modified by the Board of County Commissioners from time to time.

A copy of the investment policy of the County can be obtained directly from the County. See "INTRODUCTION – Additional Information" herein.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Series 2009A Bonds are subject to an approving legal opinion of Rogers Towers, P.A., Jacksonville, Florida, Bond Counsel to the County, whose approving opinion (a form of which is attached hereto as "APPENDIX E –FORM OF BOND COUNSEL OPINION") will be available at the time of delivery of the Series 2009A Bonds. Certain legal matters will be passed on for the County by Edwards Cohen, Counsel for the County and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel.

Bond Counsel has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2009A Bonds; provided, however, that Bond Counsel will render an opinion to the Underwriter of the Series 2009A Bonds (upon which opinion only the Underwriter may rely) relating to the fairness of the presentation of certain statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of the Resolution, the Series 2009A Bonds, and State of

Florida and federal tax law, and (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2009A Bonds

LITIGATION

There is no pending or, to the knowledge of the County, any threatened litigation against the County of any nature whatsoever which in any way questions or affects the validity of the Series 2009A Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the adoption of the Resolution, or the pledge of the Pledged Funds. Neither the creation, organization or existence, nor the title of the present members of the Board, or other officers of the County is being contested.

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

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the County except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "Department"). Pursuant to Rule 3E-400.003, Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the County, and certain additional financial information, unless the County believes in good faith that such information would not be considered material by a reasonable investor. The County is not and has not been in default on any bond issued since December 31, 1975 which would be considered material by a reasonable investor.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2009A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Series 2009A Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in

adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto.

The amount by which the respective issue prices of the Series 2009A Bonds maturing on October 1, 20___ through October 1, 20___, inclusive (collectively, the "Discount Bonds") is less than the amount to be paid at maturity of such Discount Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Discount Bonds) constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Discount Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of the Discount Bonds of each maturity is the first price at which a substantial amount of the Bonds of such maturity is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to the Discount Bonds accrues daily over the term to maturity of such Discount Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Discount Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Discount Bonds. Beneficial owners of the Discount Bonds should consult their own tax advisors with respect to the tax consequences of ownership of the Discount Bonds, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds of the same maturity is sold to the public.

The Series 2009A Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a purchaser's basis in a Premium Bond and, under Treasury Regulations, the amount of tax-exempt interest received, will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2009A Bonds. The County will make representations and will covenant to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2009A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants

may result in interest on the Series 2009A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2009A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2009A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2009A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2009A Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2009A Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Series 2009A Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2009A Bonds. Prospective purchasers of the Series 2009A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2009A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County will covenant, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2009A Bonds ends with the issuance of the Series 2009A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the beneficial owners regarding the tax-exempt status of the Series 2009A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the County and its appointed counsel, including the

beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2009A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2009A Bonds, and may cause the County or the beneficial owners to incur significant expense.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The accuracy of the arithmetical computation of the adequacy of the maturing principal amounts of, and interest on, the Federal Securities, together with any uninvested amounts, to be held in the Escrow Account to pay the principal, interest and redemption premium, if any, on the Refunded Bonds will be verified for the County by the Verification Agent. Such verification will be based on certain information supplied to the Verification Agent [by Public Financial Management, Inc.]

RATINGS

Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's") are expected to assign their municipal bond ratings of "___" and "___," respectively, to the Series 2009A Bonds with the understanding that upon delivery of the Series 2009A Bonds, the Financial Guaranty Insurance Policy will be issued by the Insurer. In addition, S&P and Moody's have assigned underlying ratings of "___" and "___," respectively, without giving any regard to such Financial Guaranty Insurance Policy. The ratings reflect only the views of said rating agencies and an explanation of the ratings may be obtained only from said rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such ratings, may have an adverse effect on the market price of the Series 2009A Bonds. An explanation of the significance of the ratings is available from the rating agencies, at the following addresses: Standard & Poor's Ratings Services, 55 Water Street, 38th Floor, New York, New York 10041 and Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007.

FINANCIAL ADVISOR

The County has retained Public Financial Management, Inc., Orlando, Florida, as Financial Advisor in connection with the County's financing plans and with respect to the authorization and issuance of the Series 2009A Bonds. The Financial Advisor is not

obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Financial Advisor did not participate in the underwriting of the Series 2009A Bonds.

AUDITED FINANCIAL STATEMENTS

Excerpted pages from the General Purpose Financial Statements of the County for the Fiscal Year Ended September 30, 2008 and report thereon of Davis Monk & Company (the "Independent Certified Public Accountant") are attached hereto as "APPENDIX B – EXCERPTED PAGES FROM THE GENERAL PURPOSE FINANCIAL STATEMENTS OF THE COUNTY FOR FISCAL YEAR ENDED SEPTEMBER 30, 2008." Such statements speak only as of September 30, 2008. Such portion of the General Purpose Financial Statements from the Comprehensive Annual Financial Report of the County have been included in this Official Statement as a public document and consent of the Independent Certified Public Accountant was not requested.

The Series 2009A Bonds are payable solely from the Pledged Funds as described in the Resolution and herein and the Series 2009A Bonds are not otherwise secured by, or payable from, the general revenues of the County. See "SECURITY FOR THE BONDS" herein. The excerpted pages from the General Purpose Financial Statements are presented for general information purposes only.

UNDERWRITING OF SERIES 2009A BONDS

The Series 2009A Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter") at an aggregate purchase price of \$_____ (which equals the principal amount of the Series 2009A Bonds, plus/less an original issue premium/discount of \$_____ and less Underwriter's discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent contained in a contract of purchase entered into with the County, and they will be obligated to purchase all of the Series 2009A Bonds if any Series 2009A Bonds are purchased. The Series 2009A Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2009A Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2009A Bonds upon an event of default under the Resolution, the Financial Guaranty Insurance Policy and the Reserve Policy are in many respects dependent upon judicial actions which are often subject to

discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified by the Resolution, the Series 2009A Bonds, the Financial Guaranty Insurance Policy and the Reserve Policy may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2009A Bonds, including Bond Counsel's approving opinion, will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto for a description of events of default and remedies.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the Series 2009A Bondholders to provide certain financial information and operating data relating to the County and the Series 2009A Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The County has agreed to file annual financial information and operating data and its audited financial statements (collectively, the "Annual Report") with each nationally recognized municipal securities information repository then approved by the Securities and Exchange Commission (the "NRMSIRs"), as well as any state information depository that is established in the State (the "SID"). Currently, there are no such SIDs. The County has agreed to file notices of certain enumerated material events, when and if they occur, with the NRMSIRs or the MSRB, as appropriate, and with the SIDs, if any. It is anticipated that effective July 1, 2009, the sole municipal securities information repository will be the Municipal Securities Rulemaking Board (the "MSRB").

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. The Continuing Disclosure Certificate shall be executed by the County prior to the issuance of the Series 2009A Bonds. These covenants have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

With respect to the Series 2009A Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. The County has made 17 prior agreements to provide continuing disclosure information pursuant to the Rule. The deadlines by which the County is obligated to provide the Annual Reports differ among many of the prior agreements. In seven of the agreements, the deadline is June 30 of each year, in five of

the agreements the deadline is June 27 of each year, and in two of the agreements the deadline is June 1 of each year. In three of the agreements, all of which were executed in 2002, the deadline was inadvertently designated as March 29. The County missed the March 29 deadlines set forth in those three agreements each year prior to the filing of the Annual Reports in 2005 but has met the deadlines in the other agreements. All Annual Reports due in 2005, 2006, 2007 and 2008 were timely filed. The County has not yet filed its Annual Reports in 2009 but expects to file them prior to the June 30 deadline. The County has always provided all of the required information annually.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the County and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2009A Bonds, the security for the payment of the Series 2009A Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument. Copies of such documents may be obtained from either the office of the Clerk of the Circuit Court, 4010 Lewis Speedway, St. Augustine, Florida 32084, attention: Finance Department, telephone (904) 819-3600 or the County's Financial Advisor, Public Financial Management, Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone (407) 648-2208.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2009A Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the County. At the time of delivery of the Series 2009A Bonds, the County will furnish a certificate to the effect that nothing has come to its attention which would lead it to believe that the Official Statement (other than information herein related to the Insurer, the Financial Guaranty Insurance Policy, the Reserve Policy, DTC, the book-entry only system of registration and the information contained under the caption "TAX MATTERS" as to which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2009A Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

ST. JOHNS COUNTY, FLORIDA

By: _____
Chair

APPENDIX A

GENERAL INFORMATION CONCERNING THE COUNTY

GENERAL INFORMATION CONCERNING THE COUNTY

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

Location

St. Johns County (the "County") encompasses approximately 608 square miles and is located in the northeast region of the State of Florida. The County is located directly south of Duval County, Florida, and is bordered on the west by the St. Johns River, on the south by Flagler County, and on the east by the Atlantic Ocean.

There are three incorporated municipalities located in the County: St. Augustine, Hastings and St. Augustine Beach. St. Augustine, which was founded in 1565, is the oldest permanent European settlement in the United States and is the county seat. A small portion of the municipality of Marineland (primarily located in Flagler County) on which no improvements are located, is also a part of the County. Unincorporated communities include Ponte Vedra, Switzerland, Crescent Beach, Tocoï, Bakersville, Picolatta, Orangedale, Fruit Cove, Summer Haven, St. Johns and Vilano Beach.

Government

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

Florida Retirement System

As is the case with many local governments in Florida, the County participates in the Florida Retirement System (the "FRS System"), a cost sharing, multiple-employer public employee retirement system, which covers substantially all of the full-time and part-time employees. The FRS System is noncontributory (by employees) and is totally administered by the State of Florida. Benefits under the plan vest after six years of service. Employees who retire at or after age 62 (age 55 for special risk employment categories) or 30 years of service (25 years for special risk employment categories), with six years credited of service, are entitled to an annual retirement benefit, payable monthly for life. The FRS System also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by Chapters 112 and 121, Florida Statutes.

Pension costs for the County as required and defined by state statute ranged between 9.85% and 20.92% of gross salaries for fiscal year 2008. For fiscal years ended September 30, 2008, 2007 and 2006, the County contributed 100% of the required contributions. These contributions aggregated \$13,827,423, \$12,928,249 and \$9,818,998, respectively.

A copy of the FRS System's June 30, 2008 annual report can be obtained by writing to the State of Florida Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by phoning (850) 488-5706, or toll free at (877) 377-1737, or via email at rep@dms.myflorida.com.

For more information concerning the County's participation in the FRS System, see footnote ____ to the County's General Purpose Financial Statements for Fiscal Year ended September 30, 2008, excerpted pages from which are attached to the Official Statement as Exhibit B.

Other Post Employment Benefit Programs

In accordance with Section 112.0801, Florida Statutes, because the County provides medical plans to employees of the County and their eligible dependents, the County is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida law, the County has opted to pay a portion of the cost of such participation for retired County employees. This is a post-retirement benefit plan (other than pensions) which provides retiree medical coverage including prescription drug benefits to retired employees of the County and their eligible dependents (the "Plan"). As with all governmental entities providing similar plans, the County was required to comply with the Governmental Accounting Standards Board's Statement No. 45 – Accounting and Financial Reporting by Employers for Postemployment Benefit Plans other than Pension Plans (GASB 45) no later than its fiscal year ended September 30, 2008. Similar to most other jurisdictions, the County has

historically accounted for the annual premiums associated with its Plan and the post-retirement benefit plans of its constitutional officers (i.e. the Sheriff, the Clerk of Courts, the Property Appraiser, the Supervisor of Elections, and the Tax Collector) as part of its annual budget, on a pay as you go basis. GASB 45 applies accounting methodology similar to that used for pension liabilities (GASB 27) to other post employment benefits ("OPEB") and attempts to more fully reveal the costs of employment by requiring governmental units to include future OPEB costs in their financial statements. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded.

The County retained Gabriel, Roeder, Smith & Company (the "Actuary"), to actuarially review the County's OPEB liability and provide the County with a written valuation. The Actuary determined the County's accrued actuarial liability related to OPEB, which approximates the present value of all future expected postemployment medical premiums and administrative costs which are attributable to the past service of those retired and active employees, at \$29.4 million as of September 30, 2008. The Actuary also determined the County's annual required contribution ("ARC"), which is the portion of the total accrued actuarial liability allocated to the current fiscal year needed to pay both normal costs (current and future benefits earned) and to amortize the unfunded accrued liability (past benefits earned, but not previously provided for). The County's estimated ARC for the fiscal year ended September 30, 2008 was \$3.0 million. The Net OPEB Obligation is the net amount for which the County would be obligated and is equivalent to the ARC less retiree claims and stipends to be paid. The County did not have any Net OPEB Obligation as of September 30, 2008. The calculation of these actuarial estimates are, by definition and necessity, based upon a number of assumptions, including interest rates on investments, average retirement age, life expectancy, healthcare costs per employee and insurance premiums, many of which factors are subject to future economic and demographic variations.

For more information concerning the County's OPEB obligations, see footnote ____ to the County's General Purpose Financial Statements for Fiscal Year ended September 30, 2008, excerpted pages from which are attached to the Official Statement as Exhibit B.

[Remainder of page intentionally left blank]

Population

St. Johns County ranked 26th out of Florida's 67 counties in total gross population for 2008 and ranked 4th statewide in the percentage change in population growth from 2000 to 2008.

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

<u>Year</u>	<u>Population</u>
1980	51,303
1990	83,829
2000	123,135
2004	149,336
2005	157,278
2006	165,291
2007	173,935
2008	181,180

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

Commerce and Industry

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

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

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

Agriculture

Agribusiness remains a key sector of the state and the northeast region's economy. The estimated value of agricultural production in the County is nearly \$60 million.

The following table sets forth information concerning agricultural land use in the County:

<u>Year</u>	<u>Number of Farms</u>	<u>Land in Farms (acres)</u>	<u>Total Cropland (acres)</u>	<u>Woodland (acres)</u>	<u>Pastureland (acres)</u>	<u>Other (acres)</u>	<u>Average Market Value (Dollars)</u>
1997	149	49,631	N/A	N/A	N/A	N/A	748,864
2002	204	37,653	24,960	2,511	7,749	2,433	808,080

N/A = Information not listed for 1997.

Source: Florida Statistical Abstract 2008.

Employment

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

<u>Year</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>	<u>State Unemployment Rate</u>
1999	62,689	1,612	2.5%	4.0%
2000	64,501	1,963	3.0	3.8
2001	66,186	2,524	3.7	4.7
2002	67,280	3,109	4.4	5.7
2003	69,557	3,021	4.2	5.3
2004	74,006	2,786	3.6	4.7
2005	80,102	2,493	3.0	3.8
2006	85,097	2,376	2.7	3.4
2007	88,864	2,949	3.2	4.1
2008	88,891	4,730	5.1	6.2

Source: Florida Research and Economic Database.

Major Employers

The following table shows some of the major employers in the County and their approximate level of employment in 2008 and 1999.

<u>Employer</u>	<u>2008</u>			<u>1999</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
St. Johns County School District	3,357	1	2.61%	2,285	1	2.80%
St. Johns County	2,252	2	1.75	1,200	4	1.47
Flagler Hospital	1,503	3	1.17	1,500	2	1.84
US Army National Guard	1,300	4	1.01	782	5	0.96
Ponte Vedra Inn & Club	950	5	0.74	-	-	-
Northrop Grumman	900	6	0.70	1,399	3	1.72
Florida School for the Deaf & Blind	767	7	0.60	680	6	0.83
Tree of Life	636	8	0.50	305	7	0.37
PGA Tour/Tournament Players Club	625	9	0.49	-	-	-
Mariott at Sawgrass Resort	550	10	0.43	-	-	-
	<u>12,840</u>		<u>10.00%</u>	<u>8,151</u>		<u>10.00%</u>

Source: St. Johns County, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2008.

Transportation Facilities

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

Land: Three major north/south highways, Interstate 95, U.S. 1 and State Route 1A, serve the County. Bus transportation is provided to St. Augustine by Greyhound with 5 northbound and 11 southbound buses each day.

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

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

Health Care Facilities

Medical facilities are provided by Flagler Hospital, which has approximately 316 beds. There are over 100 physicians in the area, including specialists in most fields. There are eight nursing homes, seven home health agencies and 12 assisted living facilities within the County. There is also the University of St. Augustine for Health Sciences. Programs offered are physical therapy and occupational therapy.

Education

The public school system is operated by the St. Johns County School Board. There are 17 elementary schools (grades k-5), one grammar school (grades k-8), seven middle schools (grades 6-8), seven high schools, one alternative center, three charter schools (including a Vocational and Technical Center), and three juvenile justice centers. Colleges and Universities in the area include Jacksonville University, University of North Florida, Bethune-Cookman College (Hastings Campus), Flagler College, Embry-Riddle Aeronautical University, Florida Community College - Jacksonville, St. Johns River Community College, Daytona Beach Community College, University of St. Augustine, First Coast Technical Institute and Whitney Marine Laboratory. The State operates the Florida School for the Deaf and Blind in St. Augustine, with primary school through senior high school levels.

[Remainder of page intentionally left blank]

Property Taxes

St. Johns County, Florida Assessed and Estimated Taxable Value for Operating Millages

Fiscal Year	Taxable Value Real Property	Taxable Value Personal Property	Taxable Value Centrally Assessed	Total Taxable Valuations	Total Direct Tax Rate
1998/99	\$ 5,755,043,340	\$459,394,987	\$14,988,390	\$ 6,229,426,717	6.3450
1999/00	6,614,044,633	539,554,576	15,702,372	7,169,301,581	6.3080
2000/01	7,563,588,131	588,493,446	17,115,611	8,169,197,188	6.2340
2001/02	8,934,559,954	629,849,926	17,326,818	9,581,736,698	6.2250
2002/03	10,220,118,339	631,954,462	18,404,181	10,870,476,982	6.1570
2003/04	11,798,595,741	666,830,119	20,372,764	12,485,798,624	6.0220
2004/05	13,523,942,842	700,016,681	21,461,857	14,245,421,380	5.8500
2005/06	16,654,175,245	752,696,406	22,352,364	17,429,224,015	5.8500
2006/07	21,233,616,012	831,854,254	23,410,747	22,088,881,013	5.8475
2007/08	23,671,729,278	869,659,215	26,540,132	24,567,928,625	5.0037
2008/09	22,478,870,762	793,061,691	36,282,262	23,308,214,715	5.0371

Source: St. Johns County, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2008. For Fiscal Year Ended September 30, 2009, St. Johns County Property Appraiser.

St. Johns County, Florida Property Tax Levies and Collections

Fiscal Year	Property Taxes Levied	Current Tax Collections ⁽¹⁾	Delinquent Tax Collections	Total Tax Collection	% of Levy Collected
1998/99	\$43,705,566	\$42,021,349	\$78,550	\$42,099,899	96.33%
1999/00	49,538,943	47,928,518	34,256	47,962,774	96.82
2000/01	55,872,261	53,891,302	138,271	54,029,573	96.70
2001/02	65,415,916	63,123,231	197,727	63,320,958	96.80
2002/03	73,805,999	71,182,650	258,646	71,441,296	96.80
2003/04	88,228,658	84,998,530	351,008	85,349,538	96.74
2004/05	99,211,316	95,753,886	244,122	95,998,008	96.76
2005/06	121,318,507	116,767,023	35,023	116,802,046	96.28
2006/07	153,766,695	148,588,456	68,026	148,655,482	96.68
2007/08	148,017,827	140,957,073	809,001	141,766,074	95.78

(1) Aggregate current taxes collected as of close of fiscal year which includes statutory discounts actually taken of 4% in the first month declining one percent each month thereafter.

Source: St. Johns County, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2008.

St. Johns County, Florida
Principal Taxpayers 2008 and 1999

<u>Taxpayer</u>	2008			1999		
	<u>Assessed Value</u>	<u>Rank</u>	Percentage of Total County Taxable Assessed <u>Value</u>	<u>Assessed Value</u>	<u>Rank</u>	Percentage of Total County Taxable Assessed <u>Value</u>
Florida Power & Light	\$126,980,976	1	0.52%	\$58,378,323	2	0.94%
Ponte Vedra Corp.	109,350,878	2	0.44	31,521,210	5	0.51
RQB Resort LP	66,394,726	3	0.27			
BellSouth Telecommunications	59,659,979	4	0.24	69,499,849	1	1.12
Florida East Coast RY	51,188,153	5	0.21			
RQB Development	49,555,664	6	0.20			
St. Joe Company	45,704,832	7	0.19			
Pulte Homes Corp.	28,191,670	8	0.11			
Marshall Creek LTD	25,877,580	9	0.11			
World Golf Resort	<u>21,103,341</u>	10	<u>0.09</u>	<u>26,626,609</u>	6	<u>0.43</u>
Total	<u>\$584,007,799</u>		<u>2.38%</u>	<u>\$186,025,991</u>		<u>2.05%</u>

Source: St. Johns County, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2008.

Property Tax Reform

Over the last two years, the Florida Legislature has adopted substantial reform to the State's property tax structure. During a special legislative session that ended June 14, 2007, the Florida Legislature adopted a property tax plan which may significantly impact ad valorem tax collections for Florida local governments. The adopted legislation required that for the 2007-08 fiscal year counties, cities and special districts roll back their millage rates to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in fiscal year 2006-07. The legislation provided three options for establishing the millage rate for 2007-08. First, by a simple majority vote of the governing body, the applicable millage rate could have been the rolled back rate less a reduction factor calculated by the State that purports to be a measure of historical growth in taxes. This reduction factor could have been between zero and nine percent. The County's reduction factor was nine percent (9%). Second, by a super majority (majority plus one) vote of the governing body, the applicable millage rate could have been the rolled back rate (without applying any reduction factor). Finally, by a unanimous vote of the governing body, the applicable millage rate could have been the actual rate from the 2006-07 fiscal year.

Additionally, the legislation generally limited how much the aggregate amount of ad valorem tax revenues may increase in fiscal years after 2007-08 based upon growth in per capita income. These future limitations can also be overridden in certain respects with super majority votes and unanimous votes of the governing bodies. In addition, millage rates could have been increased to even higher levels on the affirmative vote of the voters in such jurisdiction pursuant to duly held elections.

In the event a county or city fails to comply with certain of the requirements of the above-described legislation, the legislation provides that such county or city shall forfeit its distribution of the half cent sales tax revenues for the 12-months following a determination of non-compliance.

On September 18, 2007, the Board approved a direct county-wide millage rate (excluding all special district and special purpose and other non-county-wide millages) for the 2007-08 fiscal year equal to 5.0037. For the 2006-07 fiscal year, the direct county-wide millage rate was 5.8475. The ad valorem tax revenues for the County declined by approximately \$6.9 million for the 2007-08 fiscal year, or approximately 4.6% less than the 2006-07 fiscal year. The direct county-wide millage rate set by the Board for 2008-09 fiscal year was 5.0371.

On January 29, 2008, in a special election held in conjunction with Florida's presidential primary, the requisite number of voters approved certain amendments to the State Constitution exempting certain portions of a property's assessed value from taxation. The following is a brief summary of certain important provisions contained in the approved amendments:

1. Provides for an additional exemption for the assessed value of homestead property between \$50,000 and \$75,000, thus doubling the existing homestead exemption for property with an assessed value equal to or greater than \$75,000. This exemption does not apply to school district taxes.

2. Permits owners of homestead property to transfer up to \$500,000 of their "Save Our Homes" benefit to a new homestead property purchased within two years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then the assessed value of new homestead property shall equal the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead. The Save Our Homes amendment generally limits annual increases in ad valorem tax assessments for those properties with homestead exemptions to the lesser of three percent (3%) or the annual rate of inflation.

3. Exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax.

4. Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases would be in effect for a 10 year period, subject to extension by an affirmative vote of electors. This exemption does not apply to school district taxes.

These amendments are effective for the 2008 tax year (2008-09 Fiscal Year for local governments). At this time, it is impossible to estimate with any certainty the level of impact that the constitutional amendments will have on the County, but the impact could be substantial. There are several pending lawsuits challenging the constitutionality of certain provisions of the above-mentioned amendments. At the present time, it is impossible to predict the results of any of these lawsuits.

In addition to the constitutional and legislative matters described above, the constitutionally mandated Florida Taxation and Budget Reform Commission (required to be convened every 20 years) completed its meetings on April 25, 2008 and placed several constitutional amendments on the November 4, 2008 General Election ballot. Three of such amendments were approved by the voters of Florida, which will, among other things, accomplish the following:

1. Allow the Florida Legislature, by general law, to exempt from assessed value of residential homes, improvements made to protect property from wind damage and installation of a new renewable energy source device.

2. Assess specified working waterfront properties based on current use rather than highest and best use.

3. Beginning in 2010, provide property tax exemption for real property that is perpetually used for conservation; and, for land not perpetually encumbered, require the Florida Legislature to provide classification and assessment of land use for conservation purposes solely on the basis of character or use (the "Conservation Lands Exemption").

At this time, the extent to which these amendments may affect the ad valorem tax collections of the County in future years cannot be accurately estimated.

During the recent extended regular session of the Florida Legislature that ended on May 8, 2009, the Florida Legislature passed legislation that could effect the County's ad valorem tax collections. The following is a brief summary of the [enacted] legislation:

1. Provides for full ad valorem property tax exemption for land dedicated in perpetuity and used exclusively for conservation purposes and provides a partial ad valorem tax exemption for conservation land used for commercial purposes. The bill provides definitions for "conservation purposes" and "allowed commercial uses." The bill would take effect upon becoming law and apply to property tax assessments made on or after January 1, 2010. This legislation was adopted to implement the Conservation Lands Exemption described above.

2. Proposes amendments to Article VII, Sections 4 and 6 of the State Constitution which shall be submitted to the electors of the state for approval or rejection at the next general election or at an earlier special election. The amendments, if passed, would provide first time home buyers a property tax exemption equal to 25% of the property's just value in the first year, but not more than \$100,000, and will be reduced by 20% each succeeding year. The additional homestead exemption would not apply after the fifth year after the initial additional exemption is granted. The Senate Joint Resolution also proposes amendments that would limit the assessment growth on commercial and residential rental property to the higher of 5% annually or the average annual percentage growth in revenues derived from the property over the previous 3 years and would take effect January 1, 2011. The current limit on assessment growth for commercial and residential rental property is 10% annually. The proposed amendments will only take effect if at least 60% of the persons voting in the referendum approve the amendments.

3. Proposes an amendment to Article VII, Section 3 and the creation of Article XII, Section 31 of the State Constitution which shall be submitted to the electors of the state for approval or rejection at the next general election or at an earlier special election. The amendment, if passed, would require the Florida Legislature to provide additional property tax exemption for members of the U.S. military or its reserves, U.S. Coast Guard or its reserves, or Florida National Guard who receive homestead exemption and were deployed in the previous year on active duty outside the continental U.S., Alaska or Hawaii in support of military operations designated by the Florida Legislature. The exempt amount is based on the number of days in the previous calendar year that the

person was deployed on active duty outside the continental U.S., Alaska, or Hawaii in support of military operations designated by the Florida Legislature. If approved, the amendment would take effect January 1, 2011. The proposed amendments will only take effect if at least 60% of the persons voting in the referendum approve the amendments.

At this time, it is impossible to estimate with any certainty the level of impact that any bill or constitutional amendment, if approved, will have on the County, but the impact could be substantial. Notwithstanding the foregoing, none of the Series 2002 Bonds, the Series 2004A Bonds, the Series 2004B Bonds, the Series 2006 Bonds, the Series 2009 Bond nor the Series 2009A Bonds are secured or payable from ad valorem tax revenues of the County. See "SECURITY FOR THE BONDS" in the Official Statement.

[Remainder of page intentionally left blank]

**St. Johns County, Florida
Debt Statement
as of September 30, 2008**

<u>General Description</u>	<u>Outstanding Principal Balance</u>
2004 Gulf Breeze Loan	\$ 15,160,000
Solid Waste Disposal Revenue Bond, Series 2006	3,735,000
Water and Sewer Revenue Bonds, Series 1991A (Incl. CABs)	21,023,154
Water and Sewer Revenue and Refunding Bonds, Series 1996	3,635,000
Water and Sewer Revenue Refunding Bonds, Series 1998	1,540,000
Water and Sewer Revenue Refunding Bonds, Series 1999A and Series 1999B	5,955,000
Water and Sewer Revenue Refunding Bonds, Series 2002A and Series 2002B	840,000
Water and Sewer Revenue Bonds, Series 2004 (Incl. CABs)	30,253,136
Water and Sewer Revenue and Refunding Bonds, Series 2006	42,815,000
Ponte Vedra Utility System Water and Sewer Revenue Bonds, Series 2006	30,070,000
Ponte Vedra Utility System Water and Sewer Revenue Bonds, Series 2007	30,620,000
State Revolving Loan – Utility	933,926
State Revolving Loan – General Governmental	4,724,276
Sales Tax Revenue Refunding Bonds, Series 1998	10,475,000
Sales Tax Revenue Refunding Bonds, Series 2002	2,725,000
Sales Tax Revenue Bonds, Series 2004A and Series 2004B	40,520,000
Sales Tax Revenue Bonds, Series 2006	45,785,000
Capital Improvement Revenue and Refunding Bonds, Series 2005	20,450,000
Transportation Improvement Revenue Bonds, Series 2003	29,275,000
Transportation Improvement Revenue Bonds, Series 2006	28,825,000
Commercial Paper Loan	11,819,000
Community Redevelopment Agency Redevelopment Revenue Note (Flagler Estates Project), Series 2007	6,000,000
Other ⁽¹⁾	<u>28,071,995</u>
Total Direct Debt	\$415,250,487

(1) Includes lease obligations, accrued compensated absences, landfill closure/postclosure and arbitrage rebate.

Source: St. Johns County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2008.

Police and Fire Protection

St. Johns County is served by the Sheriffs Office, which has approximately 592 full- and part-time employees including deputies, the detective division, communications, jail and administrative personnel. There are seventeen fire stations operating within the County, served by a force of 169 professional firefighters/paramedics and a significant volunteer auxiliary. The County operates a special rescue unit manned by trained emergency medical technicians.

APPENDIX B

EXCERPTED PAGES FROM THE GENERAL PURPOSE FINANCIAL STATEMENTS OF THE COUNTY FOR FISCAL YEAR ENDED SEPTEMBER 30, 2008

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

FORM OF BOND COUNSEL OPINION

APPENDIX F

SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

BOND PURCHASE AGREEMENT

ST. JOHNS COUNTY, FLORIDA Sales Tax Revenue Refunding Bonds, Series 2009A

_____, 2009

Board of County Commissioners of
St. Johns County, Florida
County Administration Building
500 San Sebastian View
St. Augustine, Florida 32084

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Underwriter") offers to enter into this agreement (the "Purchase Contract") with St. Johns County, Florida (the "County"), which, upon your acceptance of this offer, will be binding upon the County and upon the Underwriter. This offer is made subject to your acceptance on or before 11:59 p.m., Eastern Daylight Savings time, on the date hereof and if not so accepted, will be subject to withdrawal by the Underwriter upon notice to the County at any time prior to your acceptance hereof. Capitalized terms not defined herein shall have the meanings ascribed to them in the Resolution (as defined herein).

SECTION 1. PURCHASE AND SALE. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agree to purchase from the County for offering to the public, and the County hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the County's \$_____ aggregate principal amount of St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2009A (the "Series 2009A Bonds"). The Series 2009A Bonds shall be dated the date of their respective deliveries, and shall be issued in such principal amounts, bear such rates of interest, and be redeemable upon such terms as set forth in Exhibit A attached hereto. Interest on the Series 2009A Bonds shall be payable April 1 and October 1 of each year, commencing October 1, 2009. The aggregate purchase price of the Series 2009A Bonds is \$_____ (representing the principal amount of \$_____, less an underwriter's discount of

\$ _____, plus/less net original issue premium/discount of \$ _____). The Series 2009A Bonds shall initially be offered to the public as set forth in Section 3 hereof at such prices or yields as indicated on Exhibit A attached hereto. The Series 2009A Bonds shall be issued pursuant to and under the authority of Chapter 125, Florida Statutes, Ordinance No. 86-69, enacted by the Board of County Commissioners of the County (the "Board") on December 9, 1986, as amended, and other applicable provisions of law (collectively, the "Act"), and under and pursuant to Resolution No. 86-132, adopted by the Board on September 30, 1986 (the "Original Resolution"), as previously amended and supplemented, particularly as supplemented by Resolution No. 89-143, adopted by the Board on July 27, 1989, as amended, and Resolution No. 2009-____, adopted by the Board on June 16, 2009 (collectively, the "Resolution"). The Series 2009A Bonds are special and limited obligations of the County, payable solely from and secured by the Pledged Funds to the extent and in accordance with the Resolution.

The County is proposing to issue the Series 2009A Bonds to: (i) refund, on a current basis, all of the County's outstanding Sales Tax Revenue Refunding Bonds, Series 1998 (the "Refunded Bonds"), as more particularly described in the Resolution, (ii) pay the premium for a reserve account insurance policy in order to satisfy the Reserve Account Requirement (the "Reserve Instrument") and (iii) to pay certain costs of issuance of the Series 2009A Bonds, including the premium for a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") to be issued by Assured Guaranty Corp. (the "Insurer"). The Series 2009A Bonds and the interest thereon will be payable solely from and secured equally and ratably by a pledge of and prior lien upon the Pledged Funds in the manner and to the extent set forth in the Resolution. The Series 2009A Bonds are being issued on a parity with the County's outstanding Sales Tax Revenue Refunding Bonds, Series 2002, Sales Tax Revenue Bonds, Series 2004A, Sales Tax Revenue Bonds, Series 2004B, Sales Tax Revenue Bonds, Series 2006 and Sales Tax Revenue and Refunding Bond, Series 2009.

Concurrently with the execution and delivery of the Series 2009A Bonds, there are to be executed and delivered, among other things, (a) the Continuing Disclosure Certificate of the County dated as of the Closing Date (as hereinafter defined) (the "Continuing Disclosure Certificate"), (b) the Registrar and Paying Agency Agreement dated as of the Closing Date (the "Registrar and Paying Agency Agreement"), between the County and Regions Bank, Jacksonville, Florida, as registrar and paying agent for the Series 2009A Bonds (the "Registrar and Paying Agent"), (c) the Escrow Deposit Agreement dated as of the Closing Date (the "Escrow Deposit Agreement", between the County and Regions Bank, Jacksonville, Florida, as escrow agent for the Series 2009A Bonds (the "Escrow Agent"), (d) the Tax Certificate of the County dated as of the Closing Date (the "Tax Certificate"), (e) the Reimbursement Agreement, dated as of the Closing Date, between the County and the Insurer relating to the Reserve Instrument (the "Reserve Instrument Agreement"), and (f) any other documents related to the transactions contemplated in the Official Statement in connection with the public offering, sale and

distribution of the Series 2009A Bonds. The items described in clauses (a) through (e), inclusive, shall be referred to collectively herein as the "Other Financing Documents."

SECTION 2. UNDERWRITER'S LIABILITY. Delivered to you herewith, as a good faith deposit, is a federal funds wire transfer from the Underwriter deposited to the account of the County previously designated by the County, in the amount of \$_____ as security for the performance by the Underwriter of its obligation to accept and pay for the Series 2009A Bonds at Closing in accordance with the provisions of this Purchase Contract. In the event that you accept this offer, such wired funds shall be held by the County and applied to the purchase price of the Series 2009A Bonds at the closing. In the event you do not accept this offer, such wired funds shall be immediately returned to the Underwriter. If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Series 2009A Bonds at the Closing as provided herein, the wired funds may be retained by the County as full liquidated damages for the failure of the Underwriter to accept and pay for the Series 2009A Bonds at closing and for any and all defaults hereunder on the part of the Underwriter, and the retention of such amounts shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults hereunder on the part of the Underwriter, it being understood by both the County and the Underwriter that actual damages in such circumstances may be difficult or impossible to compute.

In the event that the County fails to deliver the Series 2009A Bonds at the Closing, or if the County is unable at or prior to the Closing Date to satisfy or cause to be satisfied the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter contained herein shall be cancelled or terminated for any reason permitted by this Purchase Contract, the County shall be obligated to immediately return the wired funds to the Underwriter and such return shall constitute a full release and discharge of all claims by the County and the Underwriter arising out of the transaction contemplated herein except for the respective obligations of the County and the Underwriter set forth in Section 8 below.

SECTION 3. OFFERING. The Underwriter agrees to make a public offering of the Bonds at the initial offering prices or yields set forth in Exhibit A attached hereto; provided, however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering prices as the Underwriter shall deem necessary in connection with the marketing of the Series 2009A Bonds.

It shall be a condition of your obligation to sell the Series 2009A Bonds to the Underwriter and to deliver the Series 2009A Bonds to the Underwriter as provided in Section 6 hereof, and the obligation of the Underwriter to purchase and accept delivery of the Series 2009A Bonds, that the entire initial aggregate principal amount of the Series 2009A Bonds shall be sold and delivered by you and accepted and paid for by the Underwriter at the Closing.

SECTION 4. PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT. The County hereby confirms that it has made available to the Underwriter a Preliminary Official Statement of the County relating to the Series 2009A Bonds dated _____, 2009 (which, together with the cover page, inside cover page and appendices contained therein, is herein called the "Preliminary Official Statement"). Within seven business days of the acceptance hereof by the County, the County shall deliver to the Underwriter, at the County's expense such reasonable number of conformed copies of the Official Statement (which, together with the cover page, inside cover and appendices contained therein, is herein called the "Official Statement"), as the Underwriter shall reasonably request which shall be sufficient in number to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act of 1934") and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The County, by its acceptance hereof, ratifies and approves the Preliminary Official Statement as of its date and approves and authorizes the Underwriter to use the Official Statement and all documents described therein in connection with the public offering and the sale of the Series 2009A Bonds. The County agrees to make no amendments to the Official Statement without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld. In addition, the County will undertake, pursuant to the Resolution and the Continuing Disclosure Certificate to provide certain annual financial and operating information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Offering Statement and will also be set forth in the Official Statement.

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

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

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

being provided with respect to the Insurer, the Financial Guaranty Insurance Policy or the Reserve Instrument, or DTC and its book-entry system of registration).

(b) Between the date of this Purchase Contract and the time of Closing, the County will not execute any bonds, notes or obligations for borrowed money, other than the Series 2009A Bonds, which pledge either the full faith and credit of the County or the Pledged Funds, without giving prior written notice thereof to the Underwriter.

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

(d) The County has full legal right, power and authority to: (i) enter into this Purchase Contract and the Other Financing Documents, (ii) adopt the Resolution, (iii) sell, issue and deliver the Series 2009A Bonds to the Underwriter under the Act as provided herein, (iv) refund the Refunded Bonds, (v) execute the Official Statement and (vi) carry out and consummate the transactions contemplated by this Purchase Contract, the Resolution, the Other Financing Documents and the Official Statement, and the County has complied, and at the Closing will be in compliance, in all respects, with the terms of the Act and with the obligations on its part in connection with the issuance of the Series 2009A Bonds contained in the Resolution, the Series 2009A Bonds, the Other Financing Documents and this Purchase Contract.

(e) By all necessary official action, the County has (i) duly adopted the Resolution, (ii) duly authorized and approved the Preliminary Official Statement and the Official Statement, and (iii) duly authorized and approved the execution and delivery of, and the performance by the County of, the Series 2009A Bonds, this Purchase Contract, the Resolution and the Other Financing Documents and all other obligations on its part in connection with the issuance of the Series 2009A Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract, the Other Financing Documents and the Official Statement in connection with the issuance of the Series 2009A Bonds; and upon delivery of the Series 2009A Bonds at the Closing, the Resolution, this Purchase Contract and the Other Financing Documents will constitute legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(f) When delivered to the Underwriter and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Contract, the Series 2009A Bonds shall be entitled to the benefits of the Resolution, including a pledge of and lien upon the Pledged Funds in accordance with the provisions of the Resolution, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(g) The refunding of the Refunded Bonds, the adoption of the Resolution and the authorization, execution and delivery of this Purchase Contract, the Other Financing Documents and the Series 2009A Bonds, and compliance with the provisions hereof and thereof, will not conflict with, or constitute a material breach of or default under any law, administrative regulation, consent decree, ordinance, resolution or any agreement or other instrument to which the County was or is subject, as the case may be, nor will such adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution.

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

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

(j) The County is lawfully empowered to pledge and grant a lien on the Pledged Funds for payment of the principal of, redemption premium, if any, and interest on the Series 2009A Bonds.

(k) Except as expressly disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency or public board or body pending or, to the best knowledge of the County, threatened against the County, affecting or seeking to prohibit, restrain or enjoin the refunding of the Refunded Bonds or the sale, issuance or delivery of the Series 2009A Bonds or the receipt of the Local Government Half-Cent Sales Tax or the pledge of and lien on the Pledged Funds or contesting or affecting as to the County the validity or enforceability in any respect of the Series 2009A Bonds, the Resolution, the Other Financing Documents or this Purchase Contract, or contesting the tax-exempt status of interest on the Series 2009A Bonds, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the County or the Board or any authority for the issuance of the Series 2009A Bonds, the adoption of the Resolution or the execution and delivery by the County of the Series 2009A Bonds, this Purchase Contract or the Other Financing Documents.

(l) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may

reasonably request in order to (i) qualify the Series 2009A Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and (ii) determine the eligibility of the Series 2009A Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2009A Bonds; provided, however, that the County shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(m) The County will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Series 2009A Bonds to be applied in a manner contrary to that provided for in the Resolution, and as described in the Official Statement.

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

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

(p) If, after the date of this Purchase Contract and until the earlier of (i) 90 days from the end of the "underwriting period" (as defined in SEC Rule 15c2-12) or (ii) the time when the Official Statement is available to any person from a nationally recognized repository, but in no case less than 25 days following the end of the underwriting period, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall notify the Underwriter thereof and, if in the opinion of the Underwriter or the County such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its own expense forthwith prepare and furnish to the Underwriter a sufficient number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will supplement or amend the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading.

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

(r) Except as expressly disclosed in the Official Statement, the County has never failed to comply with any prior continuing disclosure obligation arising out of SEC Rule 15c2-12.

(s) Except as expressly disclosed in the Official Statement, the County has never failed to take any and all action required to be taken by it pursuant to Part VI, Chapter 218, Florida Statutes, as amended and the Act in order to remain eligible to receive proceeds of the Local Government Half-Cent Sales Tax.

SECTION 6. CLOSING. At noon, local time, July __, 2009 (the "Closing Date"), or at such time on such earlier or later date as shall be agreed upon, the County will, subject to the terms and conditions hereof deliver to the Underwriter in care of DTC or its agent, the Series 2009A Bonds in permanent form, duly executed, and will deliver the other documents herein mentioned at a location mutually agreed upon by the County and the Underwriter; and the Underwriter will pay the purchase price of the Series 2009A Bonds as set forth in Section 1 hereof by immediately available funds, payable to the order of the County, net of the good faith deposit described in Section 2 hereof. This delivery and payment is herein called the "Closing."

SECTION 7. CLOSING CONDITIONS. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the County herein contained and the performance by the County of its obligations hereunder, both as of the date hereof and as of the time of Closing. The obligations of the Underwriter under this Purchase Contract are and shall be subject to each of the following conditions and the obligations of the County shall be subject to the County being paid the aggregate purchase price of the Series 2009A Bonds and the County receiving the items described in conditions (f)(ii), (f)(iv), (f)(vi) through (f)(xii) and (f)(xvi):

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

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

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

(d) At the time of the Closing, all official action of the County relating to this Purchase Contract, the Resolution, the Other Financing Documents, the Official

Statement and the Series 2009A Bonds shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect, except in each case as may have been agreed to by the Underwriter.

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

(i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State of Florida, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or legislation shall have been proposed for consideration by either such Committee, by the Staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State of Florida, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or a form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other federal or State of Florida authority, with respect to Federal or State of Florida taxation upon interest on obligations of the general character of the Series 2009A Bonds, which (A) may have the purpose or effect, directly or indirectly, of affecting the tax status of the County, its property or income, its securities (including the Series 2009A Bonds) or the interest thereon, or any applicable tax exemption granted or authorized by the State of Florida and, (B) which in the reasonable opinion of the Underwriter, affects adversely the market for the Series 2009A Bonds, or the market price generally of obligations of the general character of the Series 2009A Bonds; or

(ii) (A) in the Underwriter's reasonable judgment, the market price of the Series 2009A Bonds is materially adversely affected because: (I) additional material restrictions not in force as of the effective date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (II) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Series 2009A Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force; or (III) a general banking

moratorium shall have been established by federal, New York or Florida authorities; or (B) there shall have occurred any material change, or any other event which in the Underwriter's reasonable opinion and concurrence by appropriate representatives of the County, materially adversely affects the marketability of the Series 2009A Bonds at the purchase price set forth in Section 1, herein; or (C) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2009A Bonds or in any way contesting or affecting any authority for or the validity of the Series 2009A Bonds, any of the proceedings of the County taken with respect to the issuance or sale thereof, the pledge or application of any moneys or securities provided for the payment of the Series 2009A Bonds or the existence or powers of the County; or

(iii) (A) in the Underwriter's reasonable judgment, and concurrence by the appropriate representatives of the County, the purchase price of the Series 2009A Bonds set forth in Section 1 herein is adversely affected because a war involving the United States of America shall have been declared, or (B) any other national or international calamity shall have occurred (economic or otherwise), or any conflict involving the armed forces of the United States of America shall have escalated to such magnitude as to materially affect the Underwriter's physical or technical ability to market the Series 2009A Bonds;

(iv) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Series 2009A Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Series 2009A Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); or

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

(vi) legislation shall be enacted or be proposed or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, or regulation, by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Series 2009A Bonds or any securities of the County, any obligations of the general character of the Series 2009A Bonds, and the Resolution, are not exempt from the registration, qualification or other requirements of the Securities Act, and as then

in effect or of the Trust Indenture Act, as then in effect, or otherwise, or would be in violation of any provision of the federal securities laws.

In the event that (i) any amendment or supplement to the Official Statement is proposed or deemed necessary by the Underwriter, and (ii) the County notifies the Underwriter that it has determined not to undertake such amendment or supplement, accompanied by a letter from its Bond Counsel and Disclosure Counsel that such firms are prepared to deliver, at the Closing of the Series 2009A Bonds, their respective opinions in the forms described herein, then the proposed amendment or supplement to the Official Statement shall be immediately disclosed by the County and the Underwriter to the Rating Agencies (as defined herein) and the Insurer. In the event that as a result of such disclosure (A) any of such Ratings Agencies notify the County and the Underwriter that they will provide lower underlying ratings on the Series 2009A Bonds than that specified in Section 7(f)(ix) hereof or place the Series 2009A Bonds on a "credit watch" or the equivalent, and/or (B) the Insurer notifies the County and the Underwriter that it will not deliver the Financial Guaranty Insurance Policy or the Reserve Instrument or that it will increase the premium for such products as a result of such disclosure, this Purchase Contract may be terminated by the Underwriter without liability on the part of the Underwriter.

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

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

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

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

(iv) An opinion of Edwards Cohen, Counsel for the County, addressed to the County, the Underwriter and the Insurer, and dated the date of the Closing, substantially to the effect that:

(A) Resolution No. 2009-____, adopted by the County on June 16, 2009, has been duly adopted by the County and the Purchase Contract, the Continuing Disclosure Certificate, the Registrar and Paying Agent

Agreement, the Escrow Deposit Agreement and the Reserve Instrument Agreement (collectively, the "County Documents") and the Series 2009A Bonds have been duly authorized, executed and delivered by the County, and the Resolution, the Series 2009A Bonds, when duly authenticated, and the County's Documents when duly executed by the other parties thereto, as applicable, constitute valid, legal and binding agreements of the County enforceable in accordance with their respective terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally;

(B) the County is a political subdivision duly existing under the Constitution and laws of the State of Florida and has good right and lawful authority to issue the Series 2009A Bonds, to secure the Series 2009A Bonds in the manner and to the extent provided in the Resolution, to carry out its powers under the Act (as defined in the Resolution) and to perform all of its obligations under the Resolution, the Series 2009A Bonds and the County's Documents;

(C) no consent, waiver or any other action by any person, board or body, public or private, other than the approval of the County which has been duly and validly obtained, is required as of the date hereof for the County to issue the Series 2009A Bonds or adopt the Resolution, or to execute and deliver the County's Documents, or to perform its obligations under any of the foregoing;

(D) to the best of their knowledge, the adoption of the Resolution and the execution and delivery of the County's Documents and the Series 2009A Bonds and compliance with the provisions of each do not and will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State of Florida, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a part or is otherwise subject;

(E) except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending or, to the best of their knowledge, threatened, challenging the creation, organization or existence of the County, the receipt of the Local Government Half-Cent Sales Tax by the County or the validity of the Series 2009A Bonds, or any of the County's Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or which, in any manner, questions the right of the County to issue the Series 2009A Bonds or to pledge the Pledged Funds for repayment of the Series 2009A Bonds;

(F) nothing has come to their attention that would lead them to believe that the Official Statement as of its date or as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for financial and statistical information contained in the Official Statement, the information relating to the Insurer, the Financial Guaranty Insurance Policy, the Reserve Instrument or DTC and its book-entry system and any information provided in Appendices A, B, E or F thereof, as to which no views are expressed);

(G) the use of the Preliminary Official Statement by the Underwriter for the purpose of offering the Series 2009A Bonds for sale has been duly authorized by the County;

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

(I) the County is lawfully empowered to pledge and grant a lien on the Pledged Funds, for the payment of the principal of, redemption premium, if any, and interest on the Series 2009A Bonds; and

(J) for purposes of the opinion, they have assumed that the interest on the Series 2009A Bonds is excluded from gross income for federal income tax purposes and that neither the Series 2009A Bonds, the Resolution nor any other matter or documents need to be registered or qualified under the Securities Act, the Florida Securities Act, Chapter 517 Florida Statutes, as amended, the Trust Indenture Act, or the securities or blue sky laws of any jurisdiction.

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

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

(B) the Official Statement did not as of its date, and does not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for

which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading (provided, that no opinion need be expressed regarding the information contained therein relating to the Insurer, the Financial Guaranty Insurance Policy, the Reserve Instrument, or DTC and its book-entry only system);

(C) that, except as disclosed in the Official Statement, no litigation or other proceedings are pending or, to his or her knowledge, threatened against the County in any court or other tribunal of competent jurisdiction, State or Federal, in any way (I) restraining or enjoining the issuance, sale or delivery of any of the Series 2009A Bonds, or (II) questioning or affecting the validity of this Purchase Contract, the Series 2009A Bonds, the Resolution, the Other Financing Documents or the pledge by the County to the Bondholders of the Pledged Funds, or (III) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, issuance or delivery of the Series 2009A Bonds or (IV) questioning or affecting (1) the organization or existence of the County or the title to office of the officers thereof, (2) the refunding of the Refunded Bonds, or (3) the power or authority of the County to receive the proceeds of the Local Government Half-Cent Sales Tax or (V) asserting that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(D) that except as disclosed in the Official Statement, the County is not in default nor has been in default at any time after December 31, 1975 as to the payment of principal or interest with respect to any obligation issued or guaranteed by the County as to which County revenues are pledged or payable with respect thereto;

(E) that no event affecting the County has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect;

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

(G) except as disclosed in the Official Statement, the County has continuously maintained eligibility under applicable law to receive the proceeds of the Local Government Half-Cent Sales Tax.

(vi) An opinion of Rogers Towers, P.A., as Bond Counsel, addressed to the County and the Underwriter, and dated the Closing Date, to the effect that:

(A) with respect to the information in the Official Statement and based upon said firm's review of the Official Statement, as Bond Counsel, and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, it is of the opinion that the information in the Official Statement under the headings "INTRODUCTION" (other than the information under the subheadings "The County," "Financial Guaranty Insurance Policy and Reserve Account Insurance Policy," "Continuing Disclosure" and "Additional Information"), "PLAN OF REFUNDING," "DESCRIPTION OF THE SERIES 2009A BONDS," (other than the information under the subheading "Book-Entry Only System" as to which no opinion need be expressed), "SECURITY FOR THE BONDS," "TAX MATTERS" (except for the financial and statistical data contained in any such headings, as to which no view need be expressed) and "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" insofar as such information purports to be descriptions or summaries of the Resolution, the Series 2009A Bonds or state and federal laws to the extent indicated therein, are accurate and fair statements or summaries of the matters set forth or the documents referred to therein; and

(B) the Series 2009A Bonds are exempt from registration under the Securities Act and the Resolution is exempt from qualification as an indenture under the Trust Indenture Act.

(vii) An opinion of Nabors, Giblin & Nickerson, P.A., as Disclosure Counsel, addressed to the County and the Underwriter, and dated the Closing Date, substantially to the effect that (1) the Series 2009A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, (2) based upon their participation and their review of the Official Statement as Disclosure Counsel for the County and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to their attention causing them to believe that the Official Statement contains any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the financial and statistical information contained in the Official Statement and the information related to the Insurer, the Financial

Guaranty Insurance Policy, the Reserve Instrument, DTC or its book-entry only system as to which no view need be expressed), and (3) the Continuing Disclosure Certificate, together with the Official Statement and the Purchase Contract, satisfy the requirements contained in Rule 15c2-12(b)(5) promulgated by the United States Securities and Exchange Commission for an undertaking for the benefit of the owners of the Series 2009A Bonds to provide the information at the times and in the manner required by said Rule.

(viii) A certificate of an authorized representative of Regions Bank (the "Bank"), as the Registrar and Paying Agent and Escrow Agent, to the effect that:

(A) the Bank is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Alabama, having a designated corporate trust office located in Jacksonville, Florida;

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

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

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

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

obligations under the Resolution, the Registrar and Paying Agency Agreement or the Escrow Deposit Agreement.

(ix) Letters of Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P," and together with Moody's, the "Rating Agencies") to the effect that the Series 2009A Bonds have been assigned insured ratings no less favorable than "___" and "___," respectively, and underlying ratings of "___" and "___," respectively, which ratings shall be in effect as of the Closing Date.

(x) Duly executed copies of the Financial Guaranty Insurance Policy, the Reserve Instrument, the Reserve Instrument Agreement, the Registrar and Paying Agency Agreement, the Escrow Deposit Agreement, the Tax Certificate and the Continuing Disclosure Certificate in form acceptable to the Underwriter and Bond Counsel.

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

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

(xiii) Internal Revenue Service Form 8038-G.

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

(xv) A certificate from the County's financial advisor that the aggregate purchase price set forth in this Purchase Contract is not less than the Minimum Purchase Price, that the final terms of the Series 2009A Bonds are within the Parameters and that the costs of issuance of the Series 2009A Bonds is comparable to or less than the current average issuance costs of Series 2009A Bonds of similar terms and amount.

(xvi) A certificate from an independent certified public accountant as required by Section 3.06(E) of the Original Resolution for the issuance of Additional Bonds.

(xvii) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request, to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the County's representations and warranties contained herein and of the statements and

information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriter to accept delivery of the Series 2009A Bonds and the Underwriter to purchase and to pay for the Series 2009A Bonds contained in this Purchase Contract and the Underwriter does not waive such inability in writing (except that the delivery of the Continuing Disclosure Certificate cannot be waived), or if the obligations of the Underwriter to accept delivery of the Series 2009A Bonds and the Underwriter to purchase and to pay for the Series 2009A Bonds shall be terminated for any reason permitted by this Purchase Contract, or if the Series 2009A Bonds are not issued and delivered by the County in the year 2009, this Purchase Contract shall terminate, the good faith deposit described in Section 2 hereof shall be returned to the Underwriter and neither the Underwriter nor the County shall be under any further obligation hereunder, except that the respective obligations of the County and the Underwriter set forth in Section 8 hereof shall continue in full force and effect.

SECTION 8. EXPENSES. The Underwriter shall be under no obligation to pay, and the County shall pay, any expense incident to the performance of the County's obligations hereunder including, but not limited to: (a) the cost of preparation, printing and delivery of the Resolution; (b) the cost of preparation and printing of the Series 2009A Bonds, (c) the fees and expenses of Bond Counsel, Disclosure Counsel and Edwards Cohen, Counsel for the County, (d) the fees and disbursements of the County's certified public accountants; (e) the fees and expenses of Public Financial Management, Inc., the County's financial advisor for the Series 2009A Bonds; (f) any other experts, consultants or advisors retained by the County; (g) fees for bond ratings; (h) the fees and expenses of the Registrar and Paying Agent; (i) the fees and expenses of the Escrow Agent; and (j) the costs of preparing, printing and delivering the Preliminary Official Statement and the Official Statement and any supplements or amendments thereto. The Underwriter shall pay: (a) the cost of printing and delivery of this Purchase Contract; (b) the cost of all "Blue Sky" and legal investment memoranda and related filing fees; (c) all advertising expenses, (d) fees and expenses of its counsel and (e) all other expenses incurred by it in connection with the public offering of the Series 2009A Bonds. In the event that either party shall have paid obligations of the other as set forth in this Section 8, adjustment shall be made at the time of the Closing.

SECTION 9. NOTICES. Any notice or other communication to be given to you under this Purchase Contract may be given by mailing the same to the attention of the County Administrator, at the address set forth on the first page hereof, and any such notice or other communication to be given to the Underwriter may be mailed to Raymond James & Associates, Inc., 880 Carillon Parkway, Tower 3, 3rd Floor, St. Petersburg, Florida 33716, Attention: Matthew Sansbury.

SECTION 10. PARTIES IN INTEREST. This Purchase Contract is made solely for the benefit of the County and the Underwriter and no other party or person shall acquire or have any right hereunder or by virtue hereof. All of the County's representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect and shall survive the delivery of the Series 2009A Bonds.

SECTION 11. WAIVER. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter, and the approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be evidenced by the purchase of the Series 2009A Bonds; provided, however, the Underwriter may not waive the delivery of the Continuing Disclosure Certificate.

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

SECTION 13. GOVERNING LAW. This Purchase Contract, and the terms and conditions herein, shall constitute the full and complete agreement between the County and the Underwriter with respect to the purchase and sale of the Series 2009A Bonds. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 14. OPERATION OF WARRANTIES, ETC. All the representations, warranties, covenants and agreements of the County in this Purchase Contract shall remain operative and in full force and effect as if made on the date hereof and the Closing Date, regardless of (i) any investigation made by or on behalf of the Underwriter or by Disclosure Counsel, or (ii) delivery of and any payment for the Series 2009A Bonds hereunder.

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

SECTION 16. SEVERABILITY. If any provision of this Purchase Contract shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, or

rule of public policy, or for any other reasons, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

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

SECTION 18. EFFECTIVENESS. This Purchase Contract shall become effective upon the execution by the appropriate County officials of the acceptance hereof by the County and shall be valid and enforceable at the time of such acceptance.

Very truly yours,

**RAYMOND JAMES & ASSOCIATES,
INC.,** as Underwriter

By: _____
Matthew Sansbury, Vice President

Accepted this ____ day of _____, 2009
by the Board of County Commissioners of
St. Johns County, Florida

By: _____
Cyndi Stevenson, Chair

EXHIBIT A

MATURITY SCHEDULE

\$ _____

St. Johns County, Florida

Sales Tax Revenue Refunding Bonds, Series 2009A

<u>Amount</u>	Maturity (<u>October 1</u>)	Interest <u>Rate</u>	Price or <u>Yield</u>
---------------	----------------------------------	-------------------------	--------------------------

EXHIBIT B

DISCLOSURE STATEMENT

Board of County Commissioners of
St. Johns County, Florida
County Administration Building
500 San Sebastian View
St. Augustine, Florida 32084

Re: \$_____ St. Johns County, Florida Sales Tax Revenue Refunding
Bonds, Series 2009A

Ladies and Gentlemen:

In connection with the proposed issuance by St. Johns County, Florida of the above-referenced Bonds (the "Series 2009A Bonds"), Raymond James & Associates, Inc. (the "Underwriter") is underwriting a public offering of the Series 2009A Bonds. The purpose of this letter is to furnish on behalf of the Underwriter, pursuant to the provisions of Section 218.385(6), Florida Statutes, certain information in respect of the arrangements contemplated for the underwriting of the Series 2009A Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriter in connection with the purchase and reoffering of the Series 2009A Bonds are set forth in Schedule I attached hereto.

(b) No person has entered into an understanding with the Underwriter, or to the knowledge of the Underwriter, with the County, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the County and the Underwriter or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2009A Bonds.

(c) The underwriting spread, the difference between the price at which the Series 2009A Bonds will be initially offered to the public by the Underwriter and the price to be paid to the County for the Series 2009A Bonds, will be \$_____ per \$1,000 of Series 2009A Bonds issued.

(d) As part of the estimated underwriting spread set forth in Paragraph (c) above, the Underwriter will charge a management fee of \$_____ per \$1,000 of Series 2009A Bonds issued.

No other fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Series 2009A Bonds to any person not regularly employed or retained by the Underwriter (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Underwriter, as set forth in Paragraph (a) above.

(e) The name and address of the Underwriter is set forth below:

Raymond James & Associates, Inc.
880 Carillon Parkway, Tower 3, 3rd Floor
St. Petersburg, Florida 33716

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

**RAYMOND JAMES & ASSOCIATES,
INC., as Underwriter**

By: _____
Matthew Sansbury, Vice President

SCHEDULE I

UNDERWRITER'S ESTIMATED EXPENSES

	<u>(per \$1,000)</u>	<u>Amount</u>
DTC, CUSIP		
Travel		
Communications		
Dalcomp		
Day Loan		
BMA		
Total Expenses		

EXHIBIT C

TRUTH-IN BONDING STATEMENT

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

St. Johns, Florida (the "County") is proposing to issue \$_____ of St. Johns County, Florida, Sales Tax Revenue Refunding Bonds, Series 2009A (the "Series 2009A Bonds") for the principal purposes of (1) refunding, on a current basis, all of the County's outstanding Sales Tax Revenue Refunding Bonds, Series 1998, (2) paying the premium for a reserve account insurance policy in order to satisfy the applicable reserve account requirement, and (3) paying certain costs and expenses related to the issuance of the Series 2009A Bonds, including the cost of a financial guaranty insurance policy. The Series 2009A Bonds are expected to be repaid over a period of approximately ____ years. At the interest rates set forth in Exhibit A of the Purchase Contract, total interest paid over the life of the Series 2009A Bonds will be \$_____.

The Series 2009A Bonds and the interest thereon will be payable solely from and secured by a pledge of and prior lien upon the Pledged Funds, which Pledged Funds include proceeds of the Local Government Half-Cent Sales Tax, as such terms are defined in Resolution No. 86-132 of the County adopted on September 30, 1986, as previously amended and supplemented, particularly as supplemented by Resolution No. 89-143 of the County adopted on July 27, 1989, as amended, and Resolution No. 2009-____ of the County adopted on June 16, 2009. Authorizing the Series 2009A Bonds will result in an average of \$_____ of the Pledged Funds not being available to finance other projects of the County each year for approximately ____ years.



June 1, 2009

Doug Timms, Budget Director
St. Johns County
500 San Sebastian View
St. Augustine, Florida 32084

Re: Not to Exceed \$12,000,000
St. Johns County, Florida Sales Tax Refunding Bonds, Series 2009A

Dear Mr. Timms:

Enclosed is the commitment (the "Commitment") of Assured Guaranty Corp. ("Assured Guaranty") pertaining to the prospective issuance of its financial guaranty insurance policy (the "Policy") with respect to the above-captioned obligations (the "Obligations"). The Commitment duly executed by or on behalf of the addressee should be delivered to Assured Guaranty Corp., 1325 Avenue of the Americas, New York, New York 10019, Attn: Legal Department - Public Finance and a copy thereof held by or on behalf of the addressee. To the extent that the Commitment is not accepted as contemplated thereby, each copy should be promptly destroyed or returned to Assured Guaranty.

Enclosed with the Commitment you will find the Assured Guaranty Closing Package, which contains the Assured Guaranty disclosure language to be inserted into the preliminary Official Statement and the final Official Statement, the legend to appear on the Obligations, the specimen Policy, the form of opinion of counsel to Assured Guaranty, the form of Assured Guaranty tax, disclosure and no default certificate, and the form of instructions for wiring the insurance premium to the account of Assured Guaranty at closing. *The information in the Assured Guaranty Closing Package may also be downloaded from Assured Guaranty's website at <http://www.assuredguaranty.com/products/public.aspx>.*

Upon acceptance of the Commitment, the following must occur in order for Assured Guaranty to complete its review of applicable disclosure and legal documents in advance of the closing date, and timely issue its Policy:

- Please notify Assured Guaranty of the closing date for the issuance of the Obligations and provide a draft Official Statement as soon as possible in order that Assured Guaranty may prepare the Policy for prompt and timely submission to the applicable rating agencies.
- Once determined, the final debt service schedule for the Obligations should be delivered to Assured Guaranty, Attention: Closing Coordinator, by fax and/or e-mail in order that we may confirm the premium to be paid for the Policy.
- A copy of (i) the preliminary Official Statement and the final Official Statement, each of which shall include the disclosure provided by Assured Guaranty and the specimen Policy with respect to the Obligations and any other references to Assured Guaranty, and (ii) the Obligations, together with the bond legend to be affixed to such Obligations must be delivered to Assured Guaranty by fax or e-mail in order that Assured Guaranty may confirm its accuracy.
- Please refer to the Commitment for conditions that must be satisfied prior to Assured Guaranty's release of its Policy and legal opinion. Drafts of documents reflecting Assured Guaranty's legal requirements (blacklined to reflect all revisions from any previous drafts) with respect to this transaction, as reflected in the Commitment, must be faxed and/ or e-mailed as soon as possible to the contact person(s) listed below, and Assured Guaranty will review changes to these drafts.
- To access the Assured Guaranty logo, please contact the Closing Coordinator. The Assured Guaranty logo may only be used in preparation of the preliminary Official Statement or the final Official Statement. All other uses are strictly prohibited.
- In addition, as noted in the Commitment, the rating agencies assess separate fees in connection with the issuance of rating letters with respect to the Obligations. Such fees must be paid by or on behalf of the Issuer, and questions with respect thereto should be addressed to the applicable agency.

Assured Guaranty contact information:

Assured Guaranty Corp.

1325 Avenue of the Americas
New York, NY 10019

main 212 974 0100 info@assuredguaranty.com
fax 212 581 3268

www.assuredguaranty.com

Assured Guaranty contact information:

Leonard Lasek
Assistant Vice President
Telephone: (212) 408-6078
Fax: (212) 408-6090
Email: llasek@assuredguaranty.com

Peter Tremblay, Esq.
Director and Counsel
Telephone: (212) 261-5564
Fax: (212) 445-8705
Email: ptremblay@assuredguaranty.com

Nicole DiMarco
Closing Coordinator
Telephone: 261-5593
Fax: (212) 445-8705
E-mail: ndimarco@assuredguaranty.com

If you have any questions, please do not hesitate to contact us at the contact information listed above. We appreciate the opportunity to insure this transaction and look forward to a successful closing.

Very truly yours,

ASSURED GUARANTY CORP.

By:



Nicole DiMarco
Closing Coordinator

cc: Allen MacDonald, Finance Director
Patrick McCormack, Esq., County Attorney
Michael Hunt, Esq., Deputy County Attorney
Jean Mangu, Esq., Edwards Cohen
Irv Weinstein, Esq., Rogers Towers P.A.
Steve Miller, Esq., Nabors, Giblin & Nickerson, P.A.
Jay Glover, PFM
Matthew Sansbury, Raymond James

Enclosures



Commitment to Issue Financial Guaranty Insurance Policy

Issuer: St. Johns County, Florida

Commitment Date: June 1, 2009

Expiration Date: August 1, 2009

Obligations: Not to Exceed \$12,000,000
St. Johns County, Florida Sales Tax Refunding Bonds, Series 2009A

Insurance Premium: The Issuer will pay, or cause to be paid, to Assured Guaranty on the date of issuance of the Obligations a non-refundable premium in an amount equal to .50% of the total principal and interest on the Obligations.

Commitment: On the terms and subject to the conditions set forth herein and in Exhibit A attached hereto and made a part hereof, and upon compliance with the procedures set forth in the letter delivered herewith (this commitment, such Exhibit A and such letter hereinafter, collectively, the "Commitment"), Assured Guaranty Corp., a Maryland insurance corporation ("Assured Guaranty"), hereby commits to issue a financial guaranty insurance policy relating to the Obligations referenced above, which financial guaranty insurance policy shall be substantially in the form attached hereto (the "Policy").

Unless accepted by the Issuer, this Commitment shall expire, and be of no further force and effect, at 5:00 p.m., Eastern Time, on the Expiration Date, unless extended by Assured Guaranty in its sole discretion by written notice to the Issuer. Any request by the Issuer for any such extension must be made to Assured Guaranty prior to 5:00 p.m., Eastern Time, on the Expiration Date. "Business Day", for all purposes hereof, shall mean any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee or Paying Agent (as defined in the Policy) or Assured Guaranty are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in New York City or in the States of Maryland or New York.

Upon acknowledgment and acceptance by the Issuer, this Commitment shall constitute a binding agreement between Assured Guaranty and the Issuer, with respect to the subject matter hereof, enforceable against each such party in accordance with its terms; *provided, however*, that this Commitment shall expire, and be of no further force and effect, to the extent that Assured Guaranty shall not have issued the Policy as contemplated hereby on or prior to the Expiration Date. Upon the execution and acceptance of this Commitment by Assured Guaranty and the Issuer, and in consideration of the issuance of this Commitment by Assured Guaranty, the Issuer, hereby agrees that it will not enter into any discussions or negotiations with, or seek any commitment from, any financial guarantor other than Assured Guaranty, for the issuance of a financial guaranty insurance policy with respect to the Obligations, *provided that* the Issuer may determine prior to the Expiration Date not to issue Obligations that are guaranteed by any financial guarantor, in which case the Issuer agrees to notify Assured Guaranty immediately after making such determination.

Non-Reliance on Assured Guaranty. The Issuer has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Obligations and whether the Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary. The Issuer acknowledges that Assured Guaranty has not made, and therefore the Issuer is not relying on, any recommendation from Assured Guaranty that the Issuer insure the Obligations or obtain the Policy; it being understood and agreed that communications from Assured Guaranty (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, any related insurance document or the documentation governing the Obligations do not constitute a recommendation to insure the Obligations or obtain the Policy.

The Issuer further acknowledges that Assured Guaranty has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning the rating of Assured Guaranty's financial strength by the rating agencies. The Issuer acknowledges that the ratings of Assured Guaranty reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies. The Issuer understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating

agency, circumstances so warrant, or withdrawn entirely by Assured Guaranty in its sole discretion. The Issuer acknowledges and agrees that Assured Guaranty undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Obligations.

Capitalized terms not defined herein shall have meaning ascribed to such terms as set forth in the Assured Guaranty Closing Package.

The issuance of the Policy by Assured Guaranty is subject to the satisfaction or waiver by Assured Guaranty of the following conditions, and the Issuer hereby further agrees as follows:

Guaranteed Obligations: The Policy will guaranty the timely payment of scheduled principal and interest on the Obligations.

Offering Documents and Other Legal Documentation: Assured Guaranty shall be provided with:

a. Executed copies of all financing documents, any official statements (or any other disclosure documents) with respect to the Obligations (any and all such disclosure, collectively, the "Official Statement") and all legal opinions delivered in connection with the issuance and sale of the Obligations. Such legal opinions shall include all opinions as are customary for financings of the type contemplated, including, without limitation, the unqualified approving opinion of bond counsel rendered by a nationally approved bond counsel firm ("Bond Counsel"). Such opinions shall be addressed to Assured Guaranty or, if not so addressed, a letter shall be provided to Assured Guaranty expressly providing that Assured Guaranty is entitled to rely on such opinions as if such opinion were addressed to Assured Guaranty;

b. In the event that the Obligations are issued in connection with a refunding, Assured Guaranty shall receive and approve the following: (i) escrow agreement (if any); (ii) opinion addressed to Assured Guaranty regarding the validity and enforceability of escrow agreement (if any); (iii) CPA verification by a nationally-recognized firm acceptable to Assured Guaranty; and (iv) a defeasance opinion of Bond Counsel addressed to Assured Guaranty;

c. A copy of any insurance policy, surety bond, guaranty, indemnification, or any other policy, contract or agreement, which provides for the payment of all or any portion of the Obligations, or in any way secures, insures or enhances the cash flow available to pay the Obligations; and

d. Confirmation that an amount equal to the insurance premium to be paid to Assured Guaranty upon issuance of the Policy has been deposited to the account of Assured Guaranty.

Assured Guaranty Disclosure Must be Approved: A Statement of Insurance, in the form contained in the Assured Guaranty Closing Package, shall be printed on, or attached to, the Obligations. The Obligations and the Official Statement shall contain no reference to Assured Guaranty, to the Policy, or to the financial guaranty insurance evidenced thereby, except as expressly approved by Assured Guaranty.

No Material Adverse Change: On the date hereof and on the closing date pertaining to the issuance of the Obligations, there shall have been no material adverse change in or affecting the Issuer or the Obligations (including, without limitation, the security for the Obligations or the proposed debt service schedule of the Obligations), the Official Statement, the financing documents to be executed and delivered with respect to the Obligations, the legal opinions to be executed and delivered in connection with the issuance and sale of the Obligations, or any information submitted to Assured Guaranty with respect to the Issuer or the Obligations, from that previously delivered or otherwise communicated to Assured Guaranty.

No Event Affecting Purchase of Obligations: No event shall have occurred which would permit any otherwise committed purchaser of the Obligations to elect not to purchase the Obligations on the date scheduled for the issuance and delivery thereof.

No Untrue Statement or Omission: The Official Statement, the financing documents to be executed and delivered in connection with the issuance and sale of the Obligations and all information submitted to Assured Guaranty with respect to the Obligations and the Issuer, shall not contain any untrue or misleading statement of material fact, nor omit to state a material fact necessary in order to make the information contained therein not misleading. Assured Guaranty shall receive a certificate of an officer of the Issuer confirming the same.

Final Documents: Assured Guaranty shall have received the substantially final forms of all financing documents (including, without limitation, legal opinions, schedules and exhibits), incorporating Assured Guaranty's comments in a manner acceptable to Assured Guaranty, on or prior to the fifth (5th) Business Day prior to the proposed closing of the issuance of the Obligations and such financing documents shall contain for the benefit of Assured Guaranty as bond insurer, such right as are customary for financing of the type contemplated. Any provisions or requirements of any other documentation which refer to Assured Guaranty or to the Policy must be delivered to Assured Guaranty no later than five (5) Business Days prior to the contemplated sale of the Obligations.

Offering Documents; Closing Transcript: Assured Guaranty shall be provided with at least three (3) copies of each of the preliminary Official Statement and the final Official Statement as soon as they are printed and available (and in any event prior to the closing of the Obligations). On the day of issuance and delivery of the Obligations, as a condition of delivery of the Policy, duplicate originals of the financing documents and legal opinions shall be immediately delivered by hand, sent via overnight mail or by e-mail for delivery no later than the day of closing. Within thirty (30) days after the Closing Date, Assured Guaranty will be provided with four (4) complete sets of executed documents, preferably on CD-ROM or, if CD-ROM's are not available, loose bound printed sets. Assured Guaranty reserves the right to charge the Issuer a reasonable fee for the production of an electronic version of the closing transcript for the Bonds if one is not delivered to it as provided above.

Inspection Rights; Financial Statements: The Issuer must allow Assured Guaranty or its agent access to all non-confidential records. The Issuer must provide to Assured Guaranty such records and notices as reasonably may be requested by Assured Guaranty, including without limitation the following: financial reports, operational statistics and strategic plans, if any, and any other records or notices to be provided to the Trustee pursuant to the terms of the financing documentation relating to the Obligations.

Rating Agency Fees: Each rating agency rating the Obligations assesses fees with respect to such rating, which fees are payable by or on behalf of the Issuer directly to each such rating agency. Questions with respect to such fees should be addressed by or on behalf of the Issuer directly to the applicable rating agency.

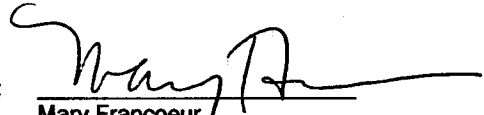
Legal Fees: Assured Guaranty will be responsible for its own attorneys' fees and expenses in connection with the issuance of the Policy.

[SIGNATURES ON NEXT PAGE]

Execution and Delivery of Commitment. This Commitment may be executed in counterpart by the parties hereto.

Very truly yours,

ASSURED GUARANTY CORP.

By: 
Mary Francoeur
Managing Director

The undersigned hereby accepts the commitment of Assured Guaranty Corp. to issue its Policy with respect to the captioned Obligations on the terms and subject to the conditions set forth in the Commitment with respect thereto issued by Assured Guaranty Corp. on the Commitment Date set forth above.

Acknowledged, accepted and agreed to
as of June ____, 2009

ST. JOHNS COUNTY, FLORIDA

By: _____
Name:
Title:

EXHIBIT A

Assured Guaranty Corp. Additional Terms and Conditions Financial Guaranty Insurance Policy

The Commitment is subject to the terms and conditions set forth below pertaining to the Ordinance, the proposed Resolution as amended and supplemented from time to time (as defined below, the POS (as defined below), any other financing documents and any other documentation for the captioned Obligations (collectively, the "Financing Documents"), all of which shall be in form and substance satisfactory to Assured Guaranty, in its sole discretion, and shall contain such representations, warranties, covenants, events of default and rights, for the benefit of Assured Guaranty, as bond insurer, as are customary for financings of the type contemplated. Terms used herein and not otherwise defined shall have the meanings given them in the Ordinance, the Resolution and/or the draft Preliminary Official Statement (the "POS"), presented to Assured Guaranty for review. The following terms and conditions are subject in all respects to modification and supplement based on review of the Financing Documents and other materials by Assured Guaranty and its counsel:

1. **Security.** The Obligations shall be limited, special obligations of the Issuer payable from and secured by a pledge of (on parity with certain outstanding Parity Obligations) the Issuer's allocation from the Local Government Half-Cent Sales Clearing Trust Fund (the "Sales Tax Revenues"), together with funds and accounts held under the Resolution for the Obligations (the "Resolution"), and interest earnings thereon (collectively, the "Pledged Funds").
2. **Debt Service Reserve Fund.** A debt service reserve fund for the benefit of the Obligations will be required to be cash funded at closing in an amount equal to the lesser of (a) maximum annual debt service on the Obligations, (ii) 125% of average annual debt service or (iii) 10% of the proceeds of the Obligations. No letter of credit, surety bond, insurance policy or other credit facility may be credited to the debt service reserve fund for the Obligations without the prior written consent of Assured Guaranty; pursuant to a separate Commitment Letter dated as of the date hereof, Assured Guaranty has agreed to provide a surety for the debt service reserve fund.
3. **Additional Bonds.** Additional indebtedness on parity with the Obligations may be issued by the Issuer as described in the POS or as otherwise agreed to by Assured Guaranty.
4. **No Purchase by Issuer.** Without the prior written consent of Assured Guaranty, no Obligations insured by Assured Guaranty shall be purchased by the Issuer, or any of its affiliates, in lieu of redemption, unless such Obligations are redeemed, defeased or cancelled.
5. **Interest Rate Exchange Agreement:** Any interest rate exchange agreement (an "Interest Rate Exchange Agreement"), entered into in connection with the Obligations or any parity debt issued subsequent to the date hereof, shall meet the following conditions (so long as any Obligations remain outstanding): (i) the Interest Rate Exchange Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, (b) debt then outstanding, or (c) debt reasonably expected to be issued or incurred within thirty-six months of the proposed interest rate swap, and (ii) the Interest Rate Exchange Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by Assured Guaranty, the net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Obligations and on any debt on parity with the Obligations. The Issuer shall not terminate Interest Rate Exchange Agreement unless it demonstrates to the satisfaction of Assured Guaranty prior to the payment of any such termination amount that (a) the Issuer has sufficient amounts on hand to make pay the termination amount, and (b) such payment will not cause the Issuer to be in default under the Financing Documents, as such agreements may be amended or supplemented, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to the Interest Rate Exchange Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Interest Rate Exchange Agreement, which credit support annex shall be acceptable to Assured Guaranty. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to Assured Guaranty, shall be required.

6. Reporting Requirements. The Issuer will furnish to Assured Guaranty:

- a. the fiscal year budget of the Issuer prior to the beginning of each fiscal year;
- b. annual audits of the Issuer prepared by an independent certified public accountant in the form and by the date required pursuant to the Issuer's continuing disclosure undertaking;
- c. prior to issuing additional obligations secured by Pledged Funds, any disclosure document or financing agreement pertaining to such debt, which disclosure document or financing agreement shall include, without limitation, the applicable maturity schedule, interest rate or rates, redemption and security provisions pertaining to any such debt;
- d. immediate notice of any draw on the debt service reserve fund; and
- e. within thirty (30) days following any litigation or investigation that may have a material adverse affect on the financial position of the Issuer relating to Pledged Funds, notice of such litigation or investigation.

7. Opinions. Assured Guaranty shall be addressed or entitled to rely upon the following opinions of counsel, which opinions shall include all opinions as are customary for financings of the type contemplated and otherwise shall be in form and content acceptable to Assured Guaranty:

- a. the approving opinion, supplemental opinion (but only to the extent such supplemental opinion covers matters beyond customary disclosure and securities law opinions) and defeasance opinion (if any) of bond counsel;
- b. the opinion(s) of counsel(s) to the Issuer; and
- c. the opinion of counsel to any other party, the obligations of which are material to the security for the Obligations.

Schedule 1

GENERAL DOCUMENT PROVISIONS

A. **Notices and Other Information.** The Financing Documents must provide that:

1. Any notice that is required to be given to holders of the Obligations (the "Bondholders"), any entity pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission or to the Trustee pursuant to the Financing Documents shall also be provided to Assured Guaranty, simultaneously with the sending of such notices. In addition, to the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Obligations, all information furnished pursuant to such agreements shall also be provided to Assured Guaranty, simultaneously with the furnishing of such information.
2. All demands, notices and other information required to be given to Assured Guaranty under the Financing Documents shall be in writing and shall be mailed by registered or certified mail or personally delivered or telecopied to the recipient as follows:

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, New York 10019
Attn: Risk Management Department
(Re: Policy No. [____])
Telecopy No.: (212) 581-3268
Confirmation: (212) 974-0100
Email: riskmanagementdept@assuredguaranty.com

(In each case in which notice or other communication refers to an Event of Default, a claim on the Policy or any event with respect to which failure on the part of Assured Guaranty to respond shall be deemed to constitute consent or acceptance, then such demand, notice or other communication shall be marked to indicate "URGENT MATERIAL ENCLOSED" and shall also be sent to the attention of the General Counsel at the same address, or at generalcounsel@assuredguaranty.com or at telecopy number (212) 445-8705.)

3. Assured Guaranty shall have the right to receive such additional information as it may reasonably request.
4. The Issuer will permit Assured Guaranty to discuss the affairs, finances and accounts of the Issuer or any information Assured Guaranty may reasonably request regarding the security for the Obligations with appropriate officers of the Issuer will use commercially reasonable efforts to enable Assured Guaranty to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.
5. The Trustee shall notify Assured Guaranty of any failure of the Issuer to provide notices, certificates and other information under the Financing Documents.

B. **Defeasance.** In the event that the principal and/or interest due on the Obligations shall be paid by Assured Guaranty pursuant to the Policy, the Obligations 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 trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of Assured Guaranty, and Assured Guaranty shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Obligations.

In addition, the defeasance section of the Financing Documents shall require the following items:

- a. An opinion of Bond Counsel to the effect (i) that the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Obligations or refunded bonds and (ii) that the Obligations are no longer "Outstanding" under the Financing Document;

- b. If the obligations are being advanced refunded (through a net defeasance), a refunding trust or escrow agreement (the "Escrow Agreement") and an opinion of counsel regarding the validity and enforceability of the Escrow Agreement; and
- c. The Escrow Agreement shall provide that:
 - i. Any substitution of securities shall require verification by an independent certified public accountant and the prior written consent of Assured Guaranty.
 - ii. The Issuer will not exercise any optional redemption of Obligations secured by the Escrow Agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the Escrow Agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition of any such redemption there shall be provided to Assured Guaranty a verification of an independent certified public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption.
 - iii. The Issuer shall not amend the Escrow Agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of Assured Guaranty.

C. Trustee (or Paying Agent). The Financing Documents must include the following provisions:

- 1. Assured Guaranty shall receive prior written notice of any name change of the Trustee (or Paying Agent) or the removal or resignation of the Trustee (or Paying Agent).
- 2. No removal or resignation of the Trustee (or Paying Agent) shall take effect until a successor, acceptable to Assured Guaranty, shall be appointed.
- 3. The Trustee (or Paying Agent) may be removed at any time, at the request of Assured Guaranty, for any breach of its obligations under the Financing Documents.
- 4. Notwithstanding any other provision of such Financing Document, in determining whether the rights of Bondholders will be adversely affected by any action taken pursuant to the terms and provisions thereof, the Trustee (or Paying Agent) shall consider the effect on the Bondholders as if there were no Policy.

D. Amendments and Supplements. With respect to amendments or supplements to the Financing Documents which do not require the consent of the Bondholders, Assured Guaranty must be given prior written notice of any such amendments or supplements. With respect to amendments or supplements to the Financing Documents which do require the consent of the Bondholders, Assured Guaranty's prior written consent is required. All Financing Documents must contain a provision that requires that copies of any amendments or supplements to such documents which are consented to by Assured Guaranty shall be sent to the rating agencies that have assigned a rating to the Obligations.

E. Assured Guaranty as Third Party Beneficiary. To the extent that the Financing Documents confer upon or give or grant to Assured Guaranty any right, remedy or claim under or by reason of the Financing Documents, the Financing Documents must contain a provision which states that: "Assured Guaranty is explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder."

F. Control Rights. Assured Guaranty shall be deemed to be the holder of all of the Obligations for purposes of (a) exercising all remedies and directing the Trustee to take actions or for any other purposes following an Event of Default (as defined in the resolution, indenture or ordinance), and (b) granting any consent, waiver, direction or approval or taking any action permitted by or required under the indenture, resolution or ordinance, as the case may be, to be granted or taken by the holders of such Obligations.

G. Consent Rights of Assured Guaranty. The Financing Documents shall include the following consent provisions:

1. *Consent of Assured Guaranty.* Any provision of this Financing Document expressly recognizing or granting rights in or to Assured Guaranty may not be amended in any manner that affects the rights of Assured Guaranty hereunder without the prior written consent of Assured Guaranty.
2. *Consent of Assured Guaranty in Addition to Bondholder Consent.* Wherever the Financing Documents require the consent of all Bondholders, Assured Guaranty's prior written consent shall also be required.
3. *Consent of Assured Guaranty in the Event of Insolvency.* Any reorganization or liquidation plan with respect to the Issuer must be acceptable to Assured Guaranty. In the event of any such reorganization or liquidation, Assured Guaranty shall have the right to vote on behalf of all Bondholders who hold Obligations guaranteed by Assured Guaranty absent a payment default by Assured Guaranty under the Policy.

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

4. *Consent of Assured Guaranty Upon Default.* Anything in this Financing Document to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Assured Guaranty shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under this Financing Document.

[In transactions for which acceleration is a remedy for an event of default, the following two provisions are to be included in the Financing Documents in lieu of the provision 4 above.]

4. *Consent of Assured Guaranty Upon Default.* Anything in this Financing Document to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Assured Guaranty shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under this Financing Document, including, without limitation, (i) the right to accelerate the principal of the Obligations as described in this Financing Document and (ii) the right to annul any declaration of acceleration. Assured Guaranty also shall be entitled to approve all waivers of events of default.
5. *Acceleration Rights.* Upon the occurrence of an event of default as defined herein, the Trustee may, with the prior written consent of Assured Guaranty, and shall at the direction of Assured Guaranty or the Bondholders with the prior written consent of Assured Guaranty, by written notice to the Issuer and Assured Guaranty, declare the principal of the Obligations to be immediately due and payable, whereupon that portion of the principal of the Obligations thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Financing Document or the Obligations to the contrary notwithstanding.

H. Issuer Representation. The following representation shall be included in either the principal Financing Document governing the Issuer's obligations in respect of the transaction or an officer's certificate delivered to Assured Guaranty at closing:

"Non-Reliance on Assured Guaranty." The Issuer has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Obligations and whether the Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary. The Issuer acknowledges that Assured Guaranty has not made, and therefore the Issuer is not relying on, any recommendation from Assured Guaranty that the Issuer insure the Obligations or obtain the Policy; it being understood and agreed that communications from Assured Guaranty (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, any related insurance document or the documentation governing the Obligations do not constitute a recommendation to insure the Obligations or obtain the Policy

The Issuer further acknowledges that Assured Guaranty has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning the rating of Assured Guaranty's financial strength by the rating agencies. The Issuer acknowledges that the ratings of Assured Guaranty reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies. The Issuer understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by Assured Guaranty in its sole discretion. The Issuer acknowledges and agrees that Assured Guaranty undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Obligations."

I. Reimbursement Obligations. The principal Financing Document governing the Issuer's obligations in respect of the transaction shall include the following provisions:

1. The Issuer hereby agrees to pay or reimburse Assured Guaranty (A) all amounts paid by Assured Guaranty under the Policy, and (B) to the extent permitted by law, any and all charges, fees, costs and expenses which Assured Guaranty may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of this Financing Document or any other Financing Document, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer or any affiliate thereof) relating to this Financing Document or any other Financing Document, any party to this Financing Document or any other Financing Document or the transaction contemplated by the Financing Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under this Financing Document or any other Financing Document, or the pursuit of any remedies under this Financing Document or any other Financing Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, or (iv) any amendment, waiver or other action with respect to, or related to, this Financing Document or any other Financing Document whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of Assured Guaranty spent in connection with the actions described in clauses (ii) - (iv) above. In addition, Assured Guaranty reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Financing Document or any other Financing Document. The Issuer will pay interest on the amounts owed in this paragraph from the date of any payment due or paid, at the per annum rate of interest publicly announced from time to time by JP Morgan Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank, National Association) plus three percent (3%) per annum (the "Reimbursement Rate"). The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JPMorgan Chase Bank ceases to announce its prime rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank, as Assured Guaranty shall specify.
2. In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Issuer agrees to pay or reimburse Assured Guaranty, to the extent permitted by law, any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which Assured Guaranty or its officers, directors, shareholders, employees, agents and each Person, if any, who controls Assured Guaranty within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by this Financing Document or any other Financing Document by reason of:
 - a. any omission or action (other than of or by Assured Guaranty) in connection with the offering, issuance, sale, remarketing or delivery of the Obligations;

- b. the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Issuer in connection with any transaction arising from or relating to this Financing Document or any other Financing Document;
- c. the violation by the Issuer of any law, rule or regulation, or any judgment, order or decree applicable to it;
- d. the breach by the Issuer of any representation, warranty or covenant under this Financing Document or any other Financing Document or the occurrence, in respect of the Issuer, under this Financing Document or any other Financing Document of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or
- e. any untrue statement or alleged untrue statement of a material fact contained in any official statement relating to the Obligations, if any, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an official statement, if any, and furnished by Assured Guaranty in writing expressly for use therein.

J. Payment Procedure Under the Policy. The Financing Documents shall include the following provisions:

1. At least two (2) Business Days prior to each payment date on the Obligations, the Trustee will determine whether there will be sufficient funds to pay all principal of and interest on the Obligations due on the related payment date and shall immediately notify Assured Guaranty or its designee on the same Business Day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of any deficiency. Such notice shall specify the amount of the anticipated deficiency, the Obligations to which such deficiency is applicable and whether such Obligations will be deficient as to principal or interest or both. If the deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify Assured Guaranty or its designee.
2. The Trustee shall, after giving notice to Assured Guaranty as provided above, make available to Assured Guaranty and, at Assured Guaranty's direction, to any Fiscal Agent, the registration books of the Issuer maintained by the Trustee and all records relating to the funds maintained under the Financing Documents.
3. The Trustee shall provide Assured Guaranty and any Fiscal Agent with a list of registered owners of Obligations entitled to receive principal or interest payments from Assured Guaranty under the terms of the Policy, and shall make arrangements with Assured Guaranty, the Fiscal Agent or another designee of Assured Guaranty to (i) mail checks or drafts to the registered owners of Obligations entitled to receive full or partial interest payments from Assured Guaranty and (ii) pay principal upon Obligations surrendered to Assured Guaranty, the Fiscal Agent or another designee of Assured Guaranty by the registered owners of Obligations entitled to receive full or partial principal payments from Assured Guaranty.
4. The Trustee shall, at the time it provides notice to Assured Guaranty of any deficiency pursuant to clause 1. above, notify registered owners of Obligations entitled to receive the payment of principal or interest thereon from Assured Guaranty (i) as to such deficiency and its entitlement to receive principal or interest, as applicable, (ii) that Assured Guaranty will remit to them all or a part of the interest payments due on the related payment date upon proof of its entitlement thereto and delivery to Assured Guaranty or any Fiscal Agent, in form satisfactory to Assured Guaranty, of an appropriate assignment of the registered owner's right to payment, (iii) that, if they are entitled to receive partial payment of principal from Assured Guaranty, they must surrender the related Obligations for payment first to the Trustee, which will note on such Obligations the portion of the principal paid by the Trustee and second to Assured Guaranty or its designee, together with an appropriate assignment, in form satisfactory to Assured Guaranty, to permit ownership of such Obligations to be registered in the name of Assured Guaranty, which will then pay the unpaid portion of principal, and (iv) that, if they are entitled to receive full payment of principal from Assured Guaranty, they must surrender the related Obligations for payment to Assured Guaranty or its designee, rather than the Trustee, together with the an appropriate assignment, in form satisfactory to Assured Guaranty, to permit ownership of such Obligations to be registered in the name of Assured Guaranty.

5. In addition, if the Trustee has notice that any holder of the Obligations has been required to disgorge payments of principal or interest on the Obligations previously Due for Payment pursuant to a final non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy laws, then the Trustee shall notify Assured Guaranty or its designee of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.
6. The Trustee will be hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Obligations as follows:
 - a. If and to the extent there is a deficiency in amounts required to pay interest on the Obligations, the Trustee shall (a) execute and deliver to Assured Guaranty, in form satisfactory to Assured Guaranty, an instrument appointing Assured Guaranty as agent for such holders in any legal proceeding related to the payment of such interest and an assignment to Assured Guaranty of the claims for interest to which such deficiency relates and which are paid by Assured Guaranty, (b) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Policy payment from Assured Guaranty with respect to the claims for interest so assigned, and (c) disburse the same to such respective holders; and
 - b. If and to the extent of a deficiency in amounts required to pay principal of the Obligations, the Trustee shall (a) execute and deliver to Assured Guaranty, in form satisfactory to Assured Guaranty, an instrument appointing Assured Guaranty as agent for such holder in any legal proceeding related to the payment of such principal and an assignment to Assured Guaranty of the Obligation surrendered to Assured Guaranty in an amount equal to the principal amount thereof as has not previously been paid or for which moneys are not held by the Trustee and available for such payment (but such assignment shall be delivered only if payment from Assured Guaranty is received), (b) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Policy payment therefore from Assured Guaranty, and (c) disburse the same to such holders.
7. Payments with respect to claims for interest on and principal of Obligations disbursed by the Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Obligations, and Assured Guaranty shall become the owner of such unpaid Obligation and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.
8. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Trustee hereby agree for the benefit of Assured Guaranty that:
 - a. they recognize that to the extent Assured Guaranty makes payments directly or indirectly (*e.g.*, by paying through the Trustee), on account of principal of or interest on the Obligations, Assured Guaranty will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in the Financing Documents and the Obligations; and
 - b. they will accordingly pay to Assured Guaranty the amount of such principal and interest, with interest thereon as provided in the Financing Documents and the Obligations, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Obligations to holders, and will otherwise treat Assured Guaranty as the owner of such rights to the amount of such principal and interest.
9. Assured Guaranty shall be entitled to pay principal or interest on the Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment (as such terms are defined in the Policy) and any amounts due on the Obligations as a result of acceleration of the maturity thereof in accordance with this agreement, whether or not Assured Guaranty has received a Notice (as defined in the Policy) of Nonpayment or a claim upon the Policy.
10. In addition, Assured Guaranty shall, to the extent it makes any payment of principal or interest on the Obligations become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of claims for interest, the Trustee shall note Assured Guaranty's rights as subrogee on the registration books of the Issuer maintained by the Trustee, upon receipt of proof of payment of interest thereon to the registered holders of the

Obligations, and (ii) in the case of claims for principal, the Trustee, if any, shall note Assured Guaranty's rights as subrogee on the registration books of the Issuer maintained by the Trustee, upon surrender of the Obligations together with receipt of proof of payment of principal thereof.

**Assured Guaranty Corp.
Document and Disclosure Information
For Municipal Finance Transactions**

(05/20/09)

The information contained herein is intended for use by bond counsel, underwriter's counsel, printers and any other entities involved with municipal finance transactions that will be insured by Assured Guaranty. Copies of the preliminary and final official statements, financing documents and the bond forms should be delivered to Assured Guaranty for review and comment prior to the printing of the preliminary and final official statements, the execution of the final financing documents and the execution and delivery of the bonds.

FORM OF DISCLOSURE

1. The following are Assured Guaranty's requirements for printing the preliminary and final official statements:

- a. Both the preliminary and final official statements must contain the language set forth in this packet and Assured Guaranty must be provided with final drafts for its approval thereon at least two business days prior to the printing thereof.
- b. Any changes made to the Assured Guaranty disclosure language for inclusion in the preliminary and final official statements must first be approved by Assured Guaranty.
- c. Assured Guaranty must receive four final transcripts, preferably on CD-ROM, or if CD-ROMs are not available, printed unbound transcripts, within thirty days of the closing date for the issuance.

(NOTE: THE INFORMATION IN THIS DISCLOSURE PACKET MAY ALSO BE DOWNLOADED FROM ASSURED GUARANTY'S WEBSITE, AT WWW.ASSUREDGUARANTY.COM/PRODUCTS)

2. The following language is to be printed on the cover of the official statement:

- a. When Assured Guaranty is insuring the entire issue:

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Corp.

- b. When Assured Guaranty is insuring less than the entire issue:

The scheduled payment of principal of and interest on the Bonds maturing on _____ of the years _____ through _____, inclusive (the "Insured Bonds"), when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Corp.

3. The following language is to be printed on the inside cover of the official statement

Assured Guaranty makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, Assured Guaranty has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Assured Guaranty supplied by Assured Guaranty and presented under the heading "Bond Insurance" and "Exhibit ____ - Specimen Financial Guaranty Insurance Policy".

[If necessary, change all references to the Bonds to Certificates or Notes.]

4. The following disclosure language is to be printed in the body of the official statement or as an exhibit to the official statement:

BOND INSURANCE

The following information is not complete and reference is made to Appendix [] for a specimen of the financial guaranty insurance policy (the "Policy") of Assured Guaranty Corp. ("Assured Guaranty" or the "Insurer").

THE INSURANCE POLICY

Assured Guaranty has made a commitment to issue the Policy relating to the Bonds, effective as of the date of issuance of such Bonds. Under the terms of the Policy, Assured Guaranty will unconditionally and irrevocably guarantee to pay that portion of principal of and interest on the Bonds that becomes Due for Payment but shall be unpaid by reason of Nonpayment (the "Insured Payments"). Insured Payments shall not include any additional amounts owing by the Issuer solely as a result of the failure by the Trustee or the Paying Agent to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Trustee or the Paying Agent by reason of such failure. The Policy is non-cancelable for any reason, including without limitation the non-payment of premium.

"Due for Payment" means, when referring to the principal of the Bonds, the stated maturity date thereof, or the date on which such Bonds shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless Assured Guaranty in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and, when referring to interest on such Bonds, means the stated dates for payment of interest.

"Nonpayment" means the failure of the Issuer to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all principal and interest Due for Payment on the Bonds. It is further understood that the term Nonpayment in respect of a Bond also includes any amount previously distributed to the Holder (as such term is defined in the Policy) of such Bond in respect of any Insured Payment by or on behalf of the Issuer, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. Nonpayment does not include nonpayment of principal or interest caused by the failure of the Trustee or the Paying Agent to pay such amount when due and payable.

Assured Guaranty will pay each portion of an Insured Payment that is Due for Payment and unpaid by reason of Nonpayment, on the later to occur of (i) the date such principal or interest becomes Due for Payment, or (ii) the business day next following the day on which Assured Guaranty shall have received a completed notice of Nonpayment therefor in accordance with the terms of the Policy.

Assured Guaranty shall be fully subrogated to the rights of the Holders of the Bonds to receive payments in respect of the Insured Payments to the extent of any payment by Assured Guaranty under the Policy.

The Policy is not covered by any insurance or guaranty fund established under New York, California, Connecticut or Florida insurance law.

THE INSURER

Assured Guaranty Corp. ("Assured Guaranty") is a Maryland-domiciled insurance company regulated by the Maryland Insurance Administration and licensed to conduct financial guaranty insurance business in all fifty states of the United States, the District of Columbia and Puerto Rico. Assured Guaranty commenced operations in 1988. Assured Guaranty is a wholly owned, indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, structured finance and mortgage markets. Neither AGL nor any of its shareholders is obligated to pay any debts of Assured Guaranty or any claims under any insurance policy issued by Assured Guaranty.

Assured Guaranty is subject to insurance laws and regulations in Maryland and in New York (and in other jurisdictions in which it is licensed) that, among other things, (i) limit Assured Guaranty's business to financial guaranty insurance and related lines, (ii) prescribe minimum solvency requirements, including capital and surplus requirements, (iii) limit classes and concentrations of investments, (iv) regulate the amount of both the aggregate and individual risks that may be insured, (v) limit the payment of dividends by Assured Guaranty, (vi) require the maintenance of contingency reserves, and (vii) govern changes in control and transactions among affiliates. Certain state laws to which Assured Guaranty is subject also require the approval of policy rates and forms.

Assured Guaranty's financial strength is rated "AAA" (stable) by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), "Aa2" (on review for possible downgrade) by Moody's Investors Service, Inc. ("Moody's") and "AA" (evolving) by Fitch, Inc. ("Fitch"). Each rating of Assured Guaranty should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by Assured Guaranty. Assured Guaranty does not guaranty the market price of the securities it guarantees, nor does it guaranty that the ratings on such securities will not be revised or withdrawn.

Recent Developments

Ratings

On May 20, 2009, Moody's issued a press release stating that it had placed the "Aa2" insurance financial strength rating of Assured Guaranty on review for possible downgrade. Reference is made to the press release, a copy of which is available at www.moodys.com, for the complete text of Moody's comments.

In a press release dated May 4, 2009, Fitch announced that it had downgraded the insurer financial strength rating of Assured Guaranty to "AA" from "AAA" and placed such rating on Rating Watch Evolving. Reference is made to the press release, a copy of which is available at www.fitchratings.com, for the complete text of Fitch's comments.

There can be no assurance as to the outcome of Moody's review or the timing of when such review may be completed, as to the further action that Fitch may take with respect to Assured Guaranty, or as to any action that S&P may take in the future with respect to Assured Guaranty's financial strength and financial enhancement ratings.

For more information regarding Assured Guaranty's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which was filed by AGL with the Securities and Exchange Commission ("SEC") on February 26, 2009, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009, which was filed by AGL with the SEC on May 11, 2009.

Agreement to Purchase FSA

On November 14, 2008, AGL announced that it had entered into a definitive agreement to purchase Financial Security Assurance Holdings Ltd. ("FSA"), the parent of financial guaranty insurance company Financial Security Assurance, Inc. For more information regarding the proposed acquisition by AGL of FSA, see the Annual Report on Form 10-K filed by AGL with the SEC on February 26, 2009.

Capitalization of Assured Guaranty Corp.

As of March 31, 2009, Assured Guaranty had total admitted assets of \$1,926,329,505 (unaudited), total liabilities of \$1,570,615,119 (unaudited), total surplus of \$355,714,386 (unaudited) and total statutory capital (surplus plus contingency reserves) of \$1,109,717,908 (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of December 31, 2008, Assured Guaranty had total admitted assets of \$1,803,146,295 (unaudited), total liabilities of \$1,425,012,944 (unaudited), total surplus of \$378,133,351 (unaudited) and total statutory capital (surplus plus contingency reserves) of \$1,090,288,113 (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. The Maryland Insurance Administration recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Maryland Insurance Code, and for determining whether its financial condition warrants the payment of a dividend to its stockholders. No consideration is given by the Maryland Insurance Administration to financial statements prepared in accordance with accounting principles generally accepted in the United States in making such determinations.

Incorporation of Certain Documents by Reference

The portions of the following documents relating to Assured Guaranty are hereby incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- The Annual Report on Form 10-K of AGL for the fiscal year ended December 31, 2008 (which was filed by AGL with the SEC on February 26, 2009);
- The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 (which was filed by AGL with the SEC on May 11, 2009); and
- The Current Reports on Form 8-K filed by AGL with the SEC, as they relate to Assured Guaranty.

All consolidated financial statements of Assured Guaranty and all other information relating to Assured Guaranty included in documents filed by AGL with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the
(Revised 05/20/09)

Securities Exchange Act of 1934, as amended, subsequent to the date of this Official Statement and prior to the termination of the offering of the Bonds shall be deemed to be incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such consolidated financial statements.

Any statement contained in a document incorporated herein by reference or contained herein under the heading "BOND INSURANCE - The Insurer" shall be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any subsequently filed document which is incorporated by reference herein also modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

Copies of the consolidated financial statements of Assured Guaranty incorporated by reference herein and of the statutory financial statements filed by Assured Guaranty with the Maryland Insurance Administration are available upon request by contacting Assured Guaranty at 1325 Avenue of the Americas, New York, New York 10019 or by calling Assured Guaranty at (212) 974-0100. In addition, the information regarding Assured Guaranty that is incorporated by reference in this Official Statement that has been filed by AGL with the SEC is available to the public over the Internet at the SEC's web site at <http://www.sec.gov> and at AGL's web site at <http://www.assuredguaranty.com>, from the SEC's Public Reference Room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the office of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

Assured Guaranty makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, Assured Guaranty has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom other than with respect to the accuracy of the information regarding Assured Guaranty supplied by Assured Guaranty and presented under the heading "BOND INSURANCE".

[If necessary, change all references to the Bonds to Certificates or Notes.]

STATEMENT OF INSURANCE
This information is not to be included in the Official Statement

5. The following statement of insurance is to be printed on the bond form:

a. When Assured Guaranty is insuring the entire issue:

Assured Guaranty Corp. ("Assured Guaranty"), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the "Policy") with respect to the scheduled payments of principal of and interest on this Bond to *[insert name of Trustee or Paying Agent]*, as paying agent on behalf of the holders of the Bonds (the "Paying Agent"). Such Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Assured Guaranty or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

b. When Assured Guaranty is insuring less than the entire issue:

Assured Guaranty Corp. ("Assured Guaranty"), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the "Policy") with respect to the scheduled payments of principal of and interest on the Bonds maturing on _____ of the years _____ through _____, inclusive (the "Insured Bonds"), to *[insert name of Trustee or Paying Agent]*, as paying agent on behalf of the holders of the Bonds (the "Paying Agent"). Such Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Assured Guaranty or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

[If necessary, change all references to the Bonds to Certificates or Notes.]

FORM OF WIRE INSTRUCTIONS

Premium Payment Instructions for Assured Guaranty Corp.:

Bank: JP Morgan Chase New York
Account Name: Assured Guaranty Corp. - Premium
Account Number: 323-355919
ABA Number: 021-000-021
Reference: [Insert Issuance]
Policy Number: [Insert Policy Number]

Confirmation of Receipt of Premium:

Please provide Assured Guaranty Corp. Attention: Closing Coordinator, with a wire reference number when premium has been sent. Upon confirmation of the premium payment and satisfaction of all other conditions set forth in the commitment letter, Assured Guaranty will release the Policy.

If you have any questions, please contact the Closing Coordinator at Assured Guaranty Corp.



Financial Guaranty Insurance Policy

Issuer:

Policy No.:

Obligations:

Premium:

Effective Date:

Assured Guaranty Corp., a Maryland corporation ("**Assured Guaranty**"), in consideration of the payment of the Premium and on the terms and subject to the conditions of this Policy (which includes each endorsement hereto), hereby unconditionally and irrevocably agrees to pay to the trustee (the "**Trustee**") or the paying agent (the "**Paying Agent**") for the Obligations (as set forth in the documentation providing for the issuance of and securing the Obligations) for the benefit of the Holders, that portion of the Insured Payments which shall become Due for Payment but shall be unpaid by reason of Nonpayment.

Assured Guaranty will make such Insured Payments to the Trustee or the Paying Agent on the later to occur of (i) the date applicable principal or interest becomes Due for Payment, or (ii) the Business Day next following the day on which Assured Guaranty shall have Received a completed Notice of Nonpayment. If a Notice of Nonpayment by Assured Guaranty is incomplete or does not in any instance conform to the terms and conditions of this Policy, it shall be deemed not Received, and Assured Guaranty shall promptly give notice to the Trustee or the Paying Agent. Upon receipt of such notice, the Trustee or the Paying Agent may submit an amended Notice of Nonpayment. The Trustee or the Paying Agent will disburse the Insured Payments to the Holders only upon receipt by the Trustee or the Paying Agent, in form reasonably satisfactory to it of (i) evidence of the Holder's right to receive such payments, and (ii) evidence, including without limitation any appropriate instruments of assignment, that all of the Holder's rights to payment of such principal or interest due for Payment shall thereupon vest in Assured Guaranty. Upon and to the extent of such disbursement, Assured Guaranty shall become the Holder of the Obligations, any appurtenant coupon thereto and right to receipt of payment of principal thereof or interest thereon, and shall be fully subrogated to all of the Holder's right, title and interest thereunder, including without limitation the right to receive payments in respect of the Obligations. Payment by Assured Guaranty to the Trustee or the Paying Agent for the benefit of the Holders shall discharge the obligation of Assured Guaranty under this Policy to the extent of such payment.

This Policy is non-cancelable by Assured Guaranty for any reason. The Premium on this Policy is not refundable for any reason. This Policy does not insure against loss of any prepayment premium or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Assured Guaranty, nor against any risk other than Nonpayment.

Except to the extent expressly modified by any endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Avoided Payment**" means any amount previously distributed to a Holder in respect of any Insured Payment by or on behalf of the Issuer, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. "**Business Day**" means any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee, the Paying Agent or Assured Guaranty are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York or in the State of Maryland. "**Due for Payment**" means (i) when referring to the principal of an Obligation, the stated maturity date thereof, or the date on which such Obligation shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless Assured Guaranty in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and (ii) when referring to interest on an Obligation, the stated date for payment of such interest. "**Holder**" means, in respect of any Obligation, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Obligation to payment of principal or interest thereunder, except that Holder shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Obligations. "**Insured Payments**" means that portion of the principal of and interest on the Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment. Insured Payments shall not include any additional amounts owing by the Issuer solely as a result of the failure by the Trustee or the Paying Agent to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Trustee or the Paying Agent by reason of such failure. "**Nonpayment**" means, in respect of an Obligation, the failure of the Issuer to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all principal and interest Due for Payment on such Obligation. It is further understood that the term "Nonpayment" in respect of an Obligation includes any Avoided Payment. "**Receipt**" or "**Received**" means actual receipt or notice of or, if notice is given by overnight or other delivery service, or by certified or registered United States mail, by a delivery receipt signed by a person authorized to accept delivery on behalf of the person to whom the notice was given. Notices to Assured Guaranty may be mailed by registered mail or personally delivered or telecopied to it at 1325 Avenue of the Americas, New York, New York 10019, Telephone Number: (212) 974-0100, Facsimile Number: (212) 581-3268, Attention: Risk Management Department - Public Finance Surveillance, with a copy to the General Counsel, or to such other address as shall be specified by Assured Guaranty to the Trustee or the Paying Agent in writing. A Notice of Nonpayment will be deemed to be Received by Assured Guaranty on a given Business Day if it is Received prior to 12:00 noon (New York City time) on such Business Day; otherwise it will be deemed Received on the next Business Day. "**Term**" means the period from and including the Effective Date until the earlier of (i) the maturity date for the Obligations, or (ii) the date on which the Issuer has made all payments required to be made on the Obligations.

At any time during the Term of this Policy, Assured Guaranty may appoint a fiscal agent (the "Fiscal Agent") for purposes of this Policy by written notice to the Trustee or the Paying Agent, specifying the name and notice address of such Fiscal Agent. From and after the date of Receipt of such notice by the Trustee or the Paying Agent, copies of all notices and documents required to be delivered to Assured Guaranty pursuant to this Policy shall be delivered simultaneously to the Fiscal Agent and to Assured Guaranty. All payments required to be made by Assured Guaranty under this Policy may be made directly by Assured Guaranty or by the Fiscal Agent on behalf of Assured Guaranty. The Fiscal Agent is the agent of Assured Guaranty only, and the Fiscal Agent shall in no event be liable to the Trustee or the Paying Agent for any acts of the Fiscal Agent or any failure of Assured Guaranty to deposit, or cause to be deposited, sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Assured Guaranty hereby waives, in each case for the benefit of the Holders only, all rights and defenses of any kind (including, without limitation, the defense of fraud in the inducement or in fact or any other circumstance that would have the effect of discharging a surety, guarantor or any other person in law or in equity) that may be available to Assured Guaranty to deny or avoid payment of its obligations under this Policy in accordance with the express provisions hereof. Nothing in this paragraph will be construed (i) to waive, limit or otherwise impair, and Assured Guaranty expressly reserves, Assured Guaranty's rights and remedies, including, without limitation: its right to assert any claim or to pursue recoveries (based on contractual rights, securities law violations, fraud or other causes of action) against any person or entity, in each case, whether directly or acquired as a subrogee, assignee or otherwise, subsequent to making any payment to the Trustee or the Paying Agent, in accordance with the express provisions hereof, and/or (ii) to require payment by Assured Guaranty of any amounts that have been previously paid or that are not otherwise due in accordance with the express provisions of this Policy.

This Policy (which includes each endorsement hereto) sets forth in full the undertaking of Assured Guaranty with respect to the subject matter hereof, and may not be modified, altered or affected by any other agreement or instrument, including, without limitation, any modification thereto or amendment thereto. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. This Policy will be governed by, and shall be construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, Assured Guaranty has caused this Policy to be affixed with its corporate seal, to be signed by its duly authorized officer, and to become effective and binding upon Assured Guaranty by virtue of such signature.

ASSURED GUARANTY CORP.

(SEAL)

By: _____
Authorized Officer

Signature attested to by:

Counsel

NOTICE OF NONPAYMENT
This form is not to be included in the Official Statement

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, New York 10019
Attention: Risk Management Department - Public Finance Surveillance and General Counsel

The undersigned, [a duly authorized officer of [TRUSTEE][PAYING AGENT]] (the "**Trustee**" or the "**Paying Agent**"), hereby certifies to Assured Guaranty Corp. ("**Assured Guaranty**") with reference to Financial Guaranty Insurance Policy No. _____ (the "**Policy**"), that:

The deficiency with respect to the Insured Payment that is Due for Payment and unpaid by reason of Nonpayment on [insert applicable payment date] is \$[insert applicable amount] (the "**Deficiency Amount**").

The [Trustee][Paying Agent] is making a claim under the Policy for the Deficiency Amount.

The [Trustee][Paying Agent] agrees that, following payment by Assured Guaranty made with respect to the Deficiency Amount which is the subject of this Notice of Nonpayment, it will (a) cause such amounts to be applied directly to the payment of the applicable Insured Payment; (b) insure that such funds are not applied for any other purpose; and (c) cause an accurate record of such payment to be maintained with respect to the appropriate Insured Payment(s), the corresponding claim on the Policy, and the proceeds of such claim.

The [Trustee][Paying Agent], on behalf of the Holders, hereby assigns to Assured Guaranty all rights of the [Trustee][Paying Agent] and the Holders with respect to the Obligations to the extent of any payments under the Policy, including without limitation any amounts due to the Holders in respect of securities law violations arising from the offer and/or sale of the Obligations; provided, that payments to Assured Guaranty in respect of the foregoing assignment shall in all cases be subject to and subordinate to the rights of the Holders to receive all payments in respect of the Obligations. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to Assured Guaranty in respect of such payments. The [Trustee][Paying Agent][Holder] shall take such action and deliver such instruments as may be reasonably requested or required by Assured Guaranty to effectuate the purpose or provisions of this paragraph (iv).

The [Trustee][Paying Agent], on its behalf and on behalf of the Holders, hereby appoints Assured Guaranty as agent and attorney-in-fact for the [Trustee][Paying Agent] and each such Holder in any legal proceeding with respect to the Obligations. The [Trustee][Paying Agent] hereby agrees that so long as Assured Guaranty shall not be in default in its payment obligations under the Policy, Assured Guaranty may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "**Insolvency Proceeding**") direct all matters relating to such Insolvency Proceeding, including, without limitation, (A) all matters relating to any claim in connection with an Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment made with respect to the Obligations (a "**Preference Amount**"), (B) the direction of any appeal of any order relating to any Preference Amount at the expense of Assured Guaranty but subject to reimbursement as provided in the documentation providing for the issuance of and securing the Obligations, if any, and (C) the posting of any surety, supersedeas or performance bond pending any appeal. In addition, the [Trustee][Paying Agent] hereby agrees that Assured Guaranty shall be fully subrogated to, and the [Trustee][Paying Agent] on its behalf and on behalf of each Holder, hereby delegates and assigns, to the fullest extent permitted by law, the rights of the [Trustee][Paying Agent] and each Holder in the conduct of any Insolvency Proceeding, including without limitation all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

Payment should be made by credit to the following account:

Capitalized terms used in this Notice of Nonpayment and not otherwise defined herein shall have the respective meanings ascribed thereto in the Policy.

This Notice of Nonpayment may be revoked at any time by written notice of such revocation by the [Trustee][Paying Agent][Holder] to the Assured Guaranty.

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Nonpayment as of the ____ day of _____ of ____.

[TRUSTEE/PAYING AGENT]

By: _____
Name:
Title:

FORM OF OPINION OF ASSURED GUARANTY CORP.

Re: Financial Guaranty Insurance Policy No. _____ (the "Policy") relating to _____

Ladies and Gentlemen:

This opinion letter has been requested of the undersigned, in the capacity of the undersigned as _____ of Assured Guaranty Corp., a Maryland corporation ("Assured Guaranty"), in connection with the issuance by Assured Guaranty of its Policy effective as of the date hereof.

In connection with this opinion letter, I have examined an execution copy of the Policy and such documents, certificates, agreements and instruments and proceedings as I have considered necessary or appropriate under the circumstances to render the following opinion. As to all questions of fact material to this opinion letter, which have not been independently established by me, I have relied upon certificates or comparable documents of public officials or of officers and representatives of Assured Guaranty. In addition, I have assumed the genuineness of all signatures other than those of representatives of Assured Guaranty, the authenticity of all documents submitted to me as originals, the conformity to the original document of certified or photostatic copies thereof and the authenticity of the originals of such latter documents.

Based upon the foregoing, and subject to the limitations and qualifications hereinafter set forth, I am of the opinion that:

1. Assured Guaranty is a corporation duly incorporated and validly existing under the laws of the State of Maryland and has all requisite corporate power and authority to issue and to perform its obligations under the Policy in accordance with the terms thereof.
2. The execution and delivery by Assured Guaranty of the Policy, and the performance by Assured Guaranty of its obligations thereunder, have been duly authorized by all necessary corporate action on the part of Assured Guaranty.
3. The Policy has been validly executed and delivered by Assured Guaranty, and constitutes the legal, valid and binding obligation of Assured Guaranty, enforceable against Assured Guaranty in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, liquidation, rehabilitation, moratorium, arrangement, fraudulent conveyance or similar laws or enactments now or hereafter enacted affecting the enforcement of creditors' rights generally, as well as to equitable principles of general application limiting the availability of equitable remedies and the discretion of the court before which any proceeding therefor may be brought (regardless, in each case, of whether enforcement is sought in a proceeding in equity or at law).

I am licensed to practice law in the State of New York, and do not purport to be an expert as to, or to express any opinion concerning the laws of any other jurisdiction other than the laws of the State of New York and the federal laws of the United States of America to the extent specifically referred to herein. To the extent that the opinions set forth herein purport to deal with matters of Maryland law, the statements made therein are based solely upon my review of the corporate documents of Assured Guaranty, my reading of the Maryland General Corporation Law and, in respect of the opinion set forth in paragraph (1) above, my reading of the Maryland Insurance Code.

The opinions expressed herein are limited to the matters expressly set forth herein, and no opinion is implied or may be inferred beyond the matters expressly set forth herein. The opinions expressed herein are based solely on factual matters in existence as of the date hereof and laws and regulations in effect on the date hereof. I assume no obligation to revise or supplement this opinion letter should such factual matters change or should such laws or regulations be changed by legislative or regulatory action, judicial decision or otherwise, and I hereby express no opinion as to the effect any such changes may have on the foregoing opinions.

This opinion letter is being delivered to you solely for your benefit in connection with the issuance of the Policy, and may not be used, circulated, quoted or otherwise referred to or relied upon for any other purpose by any other person, in each case without my express prior written consent.

Very truly yours,

FORM OF CERTIFICATE OF ASSURED GUARANTY CORP.

In connection with the issuance of _____ (the "Obligations") by _____ (the "Issuer"), Assured Guaranty Corp. ("Assured Guaranty") is issuing financial guaranty insurance policy no. D-_____ (the "Policy") guaranteeing, when due, the principal of and interest on the Obligations, all as set forth in the Policy.

On behalf of Assured Guaranty, the undersigned hereby certifies that:

- (i) the Policy is an unconditional and recourse obligation of Assured Guaranty (enforceable on behalf of the holders of the Obligations) to pay the scheduled payments of interest and principal on the Obligations in the event of a Nonpayment by the Issuer (as defined in the Policy);
- (ii) the insurance premium of \$_____ was determined in an arm's length negotiation in accordance with our standard procedure, and is required to be paid as a condition of the issuance of the Policy;
- (iii) no portion of such premium represents a payment for any direct or indirect services other than the transfer of credit risk;
- (iv) Assured Guaranty is not a co-obligor on the Obligations and does not reasonably expect that it will be called upon to make any payment under the Policy;
- (v) the Issuer is not entitled to a refund of premium for the Policy in the event that the Obligations are retired prior to their stated maturity;
- (vi) there has not come to the attention of the undersigned any information which would cause the undersigned to believe that the description of the Insurer under the caption "Insurance - Assured Guaranty Corp." in the official statement relating to the above referenced Obligations dated _____ (the "Official Statement"), as of the date of the Official Statement or as of the date of this certificate, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (vii) Assured Guaranty is not currently in default nor has Assured Guaranty ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation; and
- (viii) Except for the insurance premium referred to in paragraph (ii) above, neither Assured Guaranty nor any party related to Assured Guaranty within the meaning of Section 1.150-1(b) of the Treasury Regulations will use any portion of the proceeds of the Obligations.

IN WITNESS WHEREOF, Assured Guaranty has caused this certificate to be executed in its name on this ____ day of _____, 20__, by one of its duly authorized officers.

ASSURED GUARANTY CORP.

By: _____
Authorized Officer

FORM OF CERTIFICATE OF THE OBLIGOR*

In connection with the issuance by [INSERT ISSUER NAME] of its [INSERT BOND ISSUE](the "Obligations") and in consideration of the issuance of financial guaranty insurance policy no. _____ (the "Policy") [INSERT ISSUER OR OBLIGOR NAME AS APPLICABLE] (the "Obligor") represents and warrants to Assured Guaranty Corp. ("Assured Guaranty") that:

The Obligor has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Obligations and whether the Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary. The Obligor acknowledges that Assured Guaranty has not made, and therefore the Obligor is not relying on, any recommendation from Assured Guaranty that the Obligor insure the Obligations or obtain the Policy; it being understood and agreed that communications from Assured Guaranty (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, any related insurance document or the documentation governing the Obligations do not constitute a recommendation to insure the Obligations or obtain the Policy.

The Obligor further acknowledges that Assured Guaranty has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning the rating of Assured Guaranty's financial strength by the rating agencies. The Obligor acknowledges that the ratings of Assured Guaranty reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies. The Obligor understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by Assured Guaranty in its sole discretion. The Obligor acknowledges and agrees that Assured Guaranty undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Obligations.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed its name as of this [INSERT CLOSING DATE].

[INSERT OBLIGOR]

By: _____
Its Authorized Officer

ASSURED GUARANTY CORP.
QUALIFIED INVESTMENTS FOR INDENTURED FUNDS

1. (a) Cash (fully insured by the Federal Deposit Insurance Corporation), (b) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("U.S. Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above 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 government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated. **THE ABOVE REFERENCED OBLIGATIONS MAY CONSTITUTE DEFEASANCE OBLIGATIONS.**

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

2. Federal Housing Administration debentures.
3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - a) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
 - b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes
 - c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations
 - d) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's.
5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million.
6. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.
7. Money market funds rated "Aam" or "AAM-G" by S&P, or better and if rated by Moody's rated "Aa2" or better.
8. "State Obligations", which means:
 - a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least "A3" by Moody's and at least "A-" by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

- b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's.
 - c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA-" or better by S&P and "Aa3" or better by Moody's.
- 9. Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:
 - a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
 - b) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
 - c) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification Report");
 - d) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
 - e) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and
 - f) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.
- 10. Repurchase agreements: with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A-" by S&P and "A3" Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A-" by S&P and "A3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "A-" by S&P and "A3" Moody's and acceptable to Assured Guaranty (each an "Eligible Provider"), provided that:
 - a) (i) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral");
 - b) the trustee or a third party acting solely as agent therefore or for the issuer (the "Custodian") has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor's books) and such collateral shall be marked to market;
 - c) the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the trustee, the issuer and Assured Guaranty setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

- d) the repurchase agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of Assured Guaranty;
 - e) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;
 - f) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, notify the issuer, the trustee and Assured Guaranty within five (5) days of receipt of such notice. Within ten (10) days of receipt of such notice, the provider shall either: (i) provide a written guarantee acceptable to Assured Guaranty, (ii) post Eligible Collateral, or (iii) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within ten (10) business days, the provider shall, at the direction of the trustee (who shall give such direction if so directed by Assured Guaranty) repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the issuer or the trustee.
11. Investment agreements: with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA-" by S&P and "Aa3" by Moody's, and acceptable to Assured Guaranty (each an "Eligible Provider"); provided that:
- a) interest payments are to be made to the trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;
 - b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the issuer and the trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
 - c) the provider shall send monthly reports to the trustee, the issuer and Assured Guaranty setting forth the balance the issuer or trustee has invested with the provider and the amounts and dates of interest accrued and paid by the provider;
 - d) the investment agreement shall state that is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
 - e) the investment agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of Assured Guaranty;
 - f) the issuer, the trustee and Assured Guaranty shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

- g) the issuer, the trustee and Assured Guaranty shall receive an opinion of foreign counsel to the provider (if applicable) that (i) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (b) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (c) any judgment rendered by a court in the United States would be recognized and enforceable in such country;
- h) the investment agreement shall provide that if during its term:
 - i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) provide a written guarantee acceptable to Assured Guaranty, (ii) post Eligible Collateral with the Issuer, the trustee or a third party acting solely as agent therefore (the "Custodian") free and clear of any third party liens or claims, or (iii) assign the agreement to an Eligible Provider, or (iv) repay the principal of and accrued but unpaid interest on the investment;
 - ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", the provider must, at the direction of the issuer or the trustee (who shall give such direction if so directed by the Insurer), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the issuer or trustee.
- i) in the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the trustee, the issuer and Assured Guaranty setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;
- j) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;
- k) the investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the issuer or the trustee (who shall give such direction if so directed by the Assured Guaranty), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the issuer or trustee, as appropriate, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the issuer or trustee, as appropriate.



June 1, 2009

Doug Timms, Budget Director
St. Johns County
500 San Sebastian View
St. Augustine, Florida 32084

Re: Not to Exceed \$12,000,000
St. Johns County, Florida Sales Tax Refunding Bonds, Series 2009A

Dear Mr. Timms:

Enclosed please find the original and one copy of the proposed commitment the ("Commitment") of Assured Guaranty Corp. ("Assured Guaranty") pertaining to the prospective issuance of its reserve fund financial guaranty insurance policy (the "Policy") with respect to the captioned obligations (the "Bond Obligations"). The Commitment duly executed by or on behalf of the addressee should be delivered to Assured Guaranty Corp., 1325 Avenue of the Americas, New York, New York 10019, Attention: Legal Department-Public Finance and a copy thereof held by or on behalf of the addressee. To the extent that the Commitment is not accepted as contemplated thereby, both copies should be destroyed or returned to Assured Guaranty.

Enclosed with the Commitment you will find the following (which together with the Commitment constitutes the "Assured Guaranty Closing Package"), which consists of (i) a specimen of Assured Guaranty's reserve fund financial guaranty insurance policy; (ii) a form of Assured Guaranty's reimbursement agreement, and (iii) instructions for wiring the insurance premium to the account of Assured Guaranty at closing.

Upon acceptance and satisfaction of the conditions of the Commitment, the following must occur in order that Assured Guaranty can complete its review of applicable disclosure and legal documents in advance of the closing date, and timely issue its reserve fund financial guaranty insurance policy with respect to the Policy:

- Please notify Assured Guaranty of the closing date for the issuance of the Bond Obligations and provide a draft Official Statement as soon as possible in order that Assured Guaranty may prepare the Policy for prompt and timely submission to the applicable rating agencies.
- Once determined, the final debt service schedule, including the reserve fund requirement for the Bond Obligations should be delivered to Assured Guaranty by fax and/or e-mail in order that we may confirm the premium to be paid for the Policy.
- On the morning of the closing, bond counsel should call the Closing Coordinator referenced below with a wire reference number evidencing payment of the applicable premium to Assured Guaranty. On receipt of the wire number and satisfaction of any other conditions to issuance set out in the Commitment, Assured Guaranty will release its Policy.

Assured Guaranty Corp.

1325 Avenue of the Americas
New York, NY 10019

main 212 974 0100
fax 212 581 3268

info@assuredguaranty.com

www.assuredguaranty.com

Assured Guaranty contact information:

Leonard Lasek
Assistant Vice President
Telephone: (212) 408-6078
Fax: (212) 408-6090
Email: llasek@assuredguaranty.com

Peter Tremblay, Esq.
Director and Counsel
Telephone: (212) 261-5564
Fax: (212) 445-8705
Email: ptremblay@assuredguaranty.com

Nicole DiMarco
Closing Coordinator
Telephone: 261-5593
Fax: (212) 445-8705
E-mail: ndimarco@assuredguaranty.com

If you have any questions, please do not hesitate to contact us at the contact information listed above. We appreciate the opportunity to insure this transaction and look forward to a successful closing.

Very truly yours,

ASSURED GUARANTY CORP.

By: 
Nicole DiMarco
Closing Coordinator

cc: Allen MacDonald, Finance Director
Patrick McCormack, Esq., County Attorney
Michael Hunt, Esq., Deputy County Attorney
Jean Mangu, Esq., Edwards Cohen
Irv Weinstein, Esq., Rogers Towers P.A.
Steve Miller, Esq., Nabors, Giblin & Nickerson, P.A.
Jay Glover, PFM
Matthew Sansbury, Raymond James

Enclosures



Commitment to Issue Reserve Fund Insurance Policy

Issuer: St. Johns County, Florida

Commitment Date: June 1, 2009

Expiration Date: August 1, 2009

Bond Obligations: Not to Exceed \$12,000,000
St. Johns County, Florida Sales Tax Refunding Bonds, Series 2009A

Insured Obligations: Equal to the Reserve Requirement, but not to exceed an amount approved by Assured Guaranty at time of pricing (the "Policy Limit").

Insurance Premium: The Obligor will pay to Assured Guaranty on the date of issuance of the Bond Obligations a non-refundable premium in an amount equal to 3.50% of the Policy Limit.

Commitment: On the terms and subject to the conditions set forth herein (this "Commitment"), Assured Guaranty Corp., a Maryland insurance corporation ("Assured Guaranty"), hereby commits to issue a financial guaranty insurance policy with respect to the reserve fund for the Bond Obligations referenced above, which financial guaranty insurance policy shall be substantially in the form attached hereto (the "Policy").

Unless accepted by the Obligor, by the Expiration Date, this Commitment shall expire, and be of no further force and effect, at 5:00 p.m., Eastern Time, on such Expiration Date, unless extended by Assured Guaranty in its sole discretion by written notice to the Obligor. Any request by the Issuer and/or the Obligor for any such extension must be made to Assured Guaranty prior to 5:00 p.m., Eastern Time, on such Expiration Date. "Business Day," for all purposes hereof, shall mean any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee or Paying Agent (as defined in the Policy) or Assured Guaranty are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in New York City or in the States of Maryland or New York.

Upon acknowledgment and acceptance by the Obligor, this Commitment shall constitute a binding agreement between Assured Guaranty, the Obligor with respect to the subject matter hereof, enforceable against each such party in accordance with its terms, *provided, however*, that this Commitment shall expire, and be of no further force and effect, to the extent that Assured Guaranty shall not have issued the Policy as contemplated hereby on or prior to the Expiration Date. Upon the execution of this Commitment by Assured Guaranty and the Obligor, and in consideration of the issuance of this Commitment by Assured Guaranty, the Obligor hereby agrees that it will not enter into any discussions or negotiations with, or seek any commitment from, any financial guarantor other than Assured Guaranty, for the issuance of a reserve fund insurance policy with respect to the Bond Obligations, *provided, that*, the Obligor may determine prior to the Expiration Date not to fund the reserve fund with a financial guaranty insurance policy, in which case the Obligor agrees to notify Assured Guaranty immediately after making such determination.

The issuance of the Policy by Assured Guaranty is subject to the satisfaction or waiver by Assured Guaranty of the following conditions, and the Obligor hereby further agrees as follows:

Offering Documents and Other Legal Documentation: Assured Guaranty shall be provided with:

- a. Executed copies of all financing documents, the official statement (or any other disclosure document) with respect to the Bond Obligations (any and all such disclosure collectively, the "Official Statement") and all legal opinions delivered in connection with the issuance and sale of the Bond Obligations. Such legal opinions shall include all opinions as are customary for financings of the type contemplated, including without limitation the unqualified approving opinion of bond counsel rendered by a law firm acceptable to Assured Guaranty in its sole discretion. Such opinions shall be addressed to Assured Guaranty or, if not so addressed, a letter shall be provided to Assured Guaranty expressly

providing that Assured Guaranty is entitled to rely on such opinions as if such opinion were addressed to Assured Guaranty.

- b. A copy of any insurance policy, surety bond, guaranty, indemnification, or any other policy, contract or agreement, which provides for the payment of all or any portion of the Bond Obligations, or in any way secures, insures or enhances the cash flow available to pay the Bond Obligations.
- c. Confirmation that an amount equal to the insurance premium to be paid to Assured Guaranty upon issuance of the Policy, if any, has been deposited to the account of Assured Guaranty.

No Material Adverse Change: On the date hereof and on the closing date pertaining to the issuance of the Bond Obligations, there shall have been no material adverse change in or affecting the Issuer or the Bond Obligations (including, without limitation, the security for the Bond Obligations or the proposed debt service schedule of the Bond Obligations), the financing documents to be executed and delivered with respect to the Bond Obligations, or the Official Statement, the legal opinions to be executed and delivered in connection with the issuance and sale of the Bond Obligations, or any information submitted to Assured Guaranty with respect to the Issuer or the Bond Obligations, from that previously delivered or otherwise communicated to Assured Guaranty.

No Event Affecting Purchase of Bond Obligations: No event shall have occurred which would permit any otherwise committed purchaser of the Bond Obligations to elect not to purchase the Bond Obligations on the date scheduled for the issuance and delivery thereof.

Repayment of Draws under the Policy: The Obligor shall repay any draws under the Policy and pay all related expenses incurred by Assured Guaranty. In addition, the Obligor shall be required to enter into a reimbursement agreement, substantially in the form attached hereto as Exhibit A, with Assured Guaranty pursuant to which the Obligor shall reimburse Assured Guaranty for any amounts which have been paid and have not been reimbursed to Assured Guaranty under the Policy.

Payments Due under the Policy: All amounts on deposit under the resolution or trust indenture authorizing the issuance of the Bond Obligations, shall be used to pay debt service on the Bond Obligations before any drawing may be made on the Policy or any other credit facility (other than the financial guaranty insurance policy issued by Assured Guaranty).

No Untrue Statement or Omission: The Official Statement, the documents to be executed and delivered in connection with the issuance and sale of the Bond Obligations and all information and documents submitted to Assured Guaranty with respect to the Bond Obligations and the Obligor, shall not contain any untrue or misleading statement of material fact, nor omit to state a material fact necessary in order to make the information contained therein not misleading. Assured Guaranty shall receive an opinion of counsel or a certificate of an officer of the Obligor, as applicable, confirming the same.

Document Requirements: The financing documents authorizing the issuance of the Bond Obligations shall require the Trustee or Paying Agent to determine the necessity for a claim under the Policy and to provide notice to Assured Guaranty in accordance with the terms of the Policy.

Final Documents: Assured Guaranty shall have received the substantially final forms of all documents (including, without limitation, legal opinions, schedules and exhibits), incorporating Assured Guaranty's comments in a manner acceptable to Assured Guaranty, on or prior to the fifth (5th) Business Day prior to the proposed closing of the issuance of the Bond Obligations. Any provisions or requirements of the bond purchase contract or any other documentation which refer to Assured Guaranty or to the Policy must be delivered to Assured Guaranty no later than five (5) Business Days prior to the contemplated sale of the Bond Obligations.

Offering Documents; Closing Transcript: On the day of issuance and delivery of the Bond Obligations, as a condition of delivery of the Policy, duplicate originals of the primary financing documents and legal opinions shall be immediately delivered by hand or sent via overnight mail for delivery not later than the day of the closing. Within thirty (30) days after the closing for the Bond Obligations, Assured Guaranty will be provided with four (4) complete sets of executed documents preferably on CD-ROM, or if CD-ROMS are not available, or soft bound copies of the transcript.

Inspection Rights; Financial Statements: The Issuer and the Obligor must allow Assured Guaranty or its agent access to all non-confidential records. The Obligor must provide to Assured Guaranty such records and notices as reasonably may be requested by Assured Guaranty, including without limitation the following: Financial reports, operational statistics and strategic plans, if any, and any other records or notices to be provided to the Trustee pursuant to the terms of the master indenture, any supplemental indenture or other financing documentation relating to the Bond Obligations.

Additional Requirements: Assured Guaranty shall insure the Bond Obligations pursuant to its Commitment related to the Bond Obligations.

Expiration of the Policy. The Policy shall expire on the date the Bond Obligations (other than Bond Obligations held by Assured Guaranty) are no longer outstanding.

Policy Limit. The Policy Limit shall not exceed an amount agreed to by Assured Guaranty at time of pricing.

[CONTINUED ON NEXT PAGE]

Legal Fees: Assured Guaranty will be responsible for its own attorneys' fees and expenses incurred by Assured Guaranty in connection with the issuance of the Policy.

Very truly yours,

ASSURED GUARANTY CORP.

By: 
Mary Francoeur
Managing Director

The undersigned hereby accepts the commitment of Assured Guaranty Corp. to issue its Policy with respect to the captioned Bond Obligations on the terms and subject to the conditions set forth in the Commitment with respect thereto issued by Assured Guaranty Corp. on the Commitment Date set forth above.

Acknowledged, accepted and agreed to
as of June ____, 2009

ST. JOHNS COUNTY, FLORIDA

By: _____
Name:
Title:

**ASSURED GUARANTY CORP.
PRINTING AND DISCLOSURE PACKET FOR MUNICIPAL FINANCE
TRANSACTIONS (SURETY POLICY)**

(8/08)

This packet is intended for use by bond counsel, printers and preparers of municipal offerings that will be insured by Assured Guaranty. Copies of each draft of each preliminary and final official statement should be delivered to Assured Guaranty for review and comment with reasonable opportunity to submit any comments prior to printing.

FORM OF DISCLOSURE

1. The following are Assured Guaranty's requirements for printing the preliminary and final official statements:
 - a. Both the preliminary and final official statements must contain the language set forth in this packet and Assured Guaranty must be provided with final drafts for its approval and sign off thereon at least two business days prior to the printing thereof.
 - b. Any changes made to the Assured Guaranty disclosure language for inclusion in the preliminary and final official statements must first be approved by Assured Guaranty.
2. The following disclosure language is to be printed in the body of the official statement or as any exhibit:

THE RESERVE FUND INSURANCE POLICY

Assured Guaranty has made a commitment to issue a financial guaranty insurance policy for the reserve fund with respect to the Bonds (the "Reserve Fund Insurance Policy"), effective as of the date of issuance of such Bonds. Under the terms of the Reserve Fund Insurance, Assured Guaranty will unconditionally and irrevocably guarantee to pay that portion of the scheduled principal and interest on the Bonds that becomes due for payment but shall be unpaid by reason of nonpayment by the Issuer (the "Insured Payments").

Assured Guaranty will pay each portion of an Insured Payment that is due for payment and unpaid by reason of nonpayment by the Issuer to the Trustee or Paying Agent, as beneficiary of the Reserve Fund Insurance Policy on behalf of the holders of the Bonds on the later to occur of (i) the date such scheduled principal or interest becomes due for payment or (ii) the business day next following the day on which Assured Guaranty receives a demand for payment therefor in accordance with the terms of the Reserve Fund Insurance Policy.

No payment shall be made under the Reserve Fund Insurance Policy in excess of \$_____, (the "Reserve Fund Insurance Policy Limit"). Pursuant to the terms of the Reserve Fund Insurance Policy, the amount available at any particular time to be paid to the Trustee or Paying Agent shall automatically be reduced to the extent of any payment made by Assured Guaranty under the Reserve Fund Insurance Policy, provided, that, to the extent of the reimbursement of such payment to Assured Guaranty, the amount available under the Reserve Fund Insurance Policy shall be reinstated in full or in part, in an amount not to exceed the Reserve Fund Insurance Policy Limit.

The Reserve Fund Insurance Policy does not insure against nonpayment caused by the insolvency or negligence of the Trustee or Paying Agent.

The Reserve Fund Insurance Policy is not covered by any insurance or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Financial Guaranty Insurance Policy (Reserve Fund)

Issuer:

Policy No.:

Obligations:

Premium:

Policy Limit: The lesser of (i) \$_____ or (ii) the reserve requirement as set forth in the Transaction Documentation. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the reserve fund requirement, as provided in the Transaction Documentation.

Effective Date:

Assured Guaranty Corp., a Maryland corporation ("Assured Guaranty"), in consideration of the payment of the Premium and on the terms and subject to the conditions of this Policy (which includes each endorsement hereto), hereby unconditionally and irrevocably agrees to pay to the trustee (the "Trustee") or the paying agent (the "Paying Agent") for the Obligations (as set forth in the Transaction Documentation), for the benefit of the Holders, that portion of the Insured Payments which shall become Due for Payment but shall be unpaid by reason of Nonpayment.

Assured Guaranty will make such Insured Payments to the Trustee or the Paying Agent on the later to occur of (i) the date applicable principal or interest becomes Due for Payment, or (ii) the Business Day next following the day on which Assured Guaranty shall have Received a completed Notice of Nonpayment. If a Notice of Nonpayment by Assured Guaranty is incomplete or does not in any instance conform to the terms and conditions of this Policy, it shall be deemed not Received, and Assured Guaranty shall promptly give notice to the Trustee or the Paying Agent. Upon receipt of such notice, the Trustee or the Paying Agent may submit an amended Notice of Nonpayment. The Trustee or the Paying Agent will disburse the Insured Payments only upon receipt by Assured Guaranty, in form reasonably satisfactory to it of (i) evidence of the Trustee or Paying Agent's right to receive such payments, and (ii) evidence, including without limitation any appropriate instruments of assignment, that all of the Trustee or Paying Agent's rights to payment of such principal or interest Due for Payment shall thereupon vest in Assured Guaranty. Upon and to the extent of such payment, Assured Guaranty shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Reimbursement Agreement. Payment by Assured Guaranty to the Trustee or the Paying Agent for the benefit of the Holders shall discharge the obligation of Assured Guaranty under this Policy to the extent of such payment.

This Policy is non-cancelable by Assured Guaranty for any reason. The Premium on this Policy is not refundable for any reason. This Policy does not insure against any risk other than Nonpayment.

The amount available under this Policy shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or the Paying Agent under the terms of this Policy shall automatically be reduced by any payment under the Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (exclusive of interest and expenses) to Assured Guaranty pursuant to the Reimbursement Agreement. Within three (3) Business Days of such reimbursement, Assured Guaranty shall provide the Trustee or the Paying Agent with a Notice of Reinstatement and such reinstatement shall be effective as of the date Assured Guaranty gives such notice.

If the amount payable under this Policy is also payable under another insurance policy or surety bond insuring the Obligations, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall Assured Guaranty incur duplicate liability for the same amounts owing with respect to the Obligations that are covered under this Policy and any other insurance policy or surety bond that Assured Guaranty has issued.

Except to the extent expressly modified by any endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Avoided Payment" means any amount previously distributed to a Holder in respect of any Insured Payment by or on behalf of the Issuer, which amount has been recovered from such Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction that such payment constitutes an avoidable preference with respect to such Holder. "Business Day" means any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Trustee, the Paying Agent or Assured Guaranty are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York or in the State of Maryland. "Due for Payment" means (i) when referring to the principal of an Obligation, the stated maturity date thereof, or the date on which such Obligation shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless Assured Guaranty in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and means (ii) when referring to interest on an Obligation, the stated date for payment of such interest. "Holder" means, in respect of any Obligation, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Obligation to payment of principal or interest thereunder, except that Holder shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Obligations. "Insured Payments" means that portion of the principal of and interest on

Assured Guaranty Corp.

1325 Avenue of the Americas
New York, NY 10019

main 212 974 0100
fax 212 581 3268

info@assuredguaranty.com

www.assuredguaranty.com

the Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment. "Nonpayment" means, in respect of an Obligation, the failure of the Issuer to have provided sufficient funds to the Trustee or the Paying Agent for payment in full of all principal and interest Due for Payment on such Obligation. It is further understood that the term "Nonpayment" in respect of an Obligation includes any Avoided Payment. "Notice of Reinstatement" means the notice from Assured Guaranty to the Trustee or the Paying Agent reinstating the Policy coverage in an amount not greater than the Policy Limit. "Receipt" or "Received" means actual receipt or notice of or, if notice is given by overnight or other delivery service, or by certified or registered United States mail, by a delivery receipt signed by a person authorized to accept delivery on behalf of the person to whom the notice was given. Notices to Assured Guaranty may be mailed by registered mail or personally delivered or telecopied to it at 1325 Avenue of the Americas, New York, New York 10019, Telephone Number: (212) 974-0100, Facsimile Number: (212) 581-3268, Attention: Risk Management Department - Public Finance Surveillance, with a copy to the General Counsel, or to such other address as shall be specified by Assured Guaranty to the Trustee or the Paying Agent in writing. A Notice of Nonpayment will be deemed to be Received by Assured Guaranty on a given Business Day if it is Received prior to 12:00 noon (New York City time) on such Business Day; otherwise it will be deemed Received on the next Business Day. "Reimbursement Agreement" shall mean the Reimbursement Agreement between the Issuer or the obligor on the Obligations, as applicable, and Assured Guaranty, effective as of the date hereof. "Term" means the period from and including the Effective Date until the earlier of (i) the maturity date for the Obligations, or (ii) the date on which the Issuer has made all payments required to be made on the Obligations. "Transaction Documentation" means the documentation providing for the issuance of and securing the Obligations.

At any time during the Term of the Policy, Assured Guaranty may appoint a fiscal agent (the "Fiscal Agent") for purposes of this Policy by written notice to the Trustee or the Paying Agent, specifying the name and notice address of such Fiscal Agent. From and after the date of Receipt of such notice by the Trustee or the Paying Agent, copies of all notices and documents required to be delivered to Assured Guaranty pursuant to this Policy shall be delivered simultaneously to the Fiscal Agent and to Assured Guaranty. All payments required to be made by Assured Guaranty under this Policy may be made directly by Assured Guaranty or by the Fiscal Agent on behalf of Assured Guaranty. The Fiscal Agent is the agent of Assured Guaranty only, and the Fiscal Agent shall in no event be liable to the Trustee or the Paying Agent for any acts of the Fiscal Agent or any failure of Assured Guaranty to deposit, or cause to be deposited, sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Assured Guaranty hereby waives, in each case for the benefit of the Holders only, all rights and defenses of any kind (including, without limitation, the defense of fraud in the inducement or in fact or any other circumstance that would have the effect of discharging a surety, guarantor or any other person in law or in equity) that may be available to Assured Guaranty to deny or avoid payment of its obligations under this Policy in accordance with the express provisions hereof. Nothing in this paragraph will be construed (i) to waive, limit or otherwise impair, and Assured Guaranty expressly reserves, Assured Guaranty's rights and remedies, including, without limitation: its right to assert any claim or to pursue recoveries (based on contractual rights, securities law violations, fraud or other causes of action) against any person or entity, in each case, whether directly or acquired as a subrogee, assignee or otherwise, subsequent to making any payment to the Trustee or the Paying Agent, in accordance with the express provisions hereof, and/or (ii) to require payment by Assured Guaranty of any amounts that have been previously paid or that are not otherwise due in accordance with the express provisions of this Policy.

This Policy (which includes each endorsement hereto) sets forth in full the undertaking of Assured Guaranty with respect to the subject matter hereof, and may not be modified, altered or affected by any other agreement or instrument, including, without limitation, any modification thereto or amendment thereof. **THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.** This Policy will be governed by, and shall be construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, Assured Guaranty has caused this Policy to be affixed with its corporate seal, to be signed by its duly authorized officer, and to become effective and binding upon Assured Guaranty by virtue of such signature.

ASSURED GUARANTY CORP.

(SEAL)

By: _____
Authorized Officer

Signature attested to by:

Counsel

FORM OF OPINION OF ASSURED GUARANTY CORP.

Re: Financial Guaranty Insurance Policy No. _____ (the "Policy") relating to

Ladies and Gentlemen:

This opinion letter has been requested of the undersigned, in the capacity of the undersigned as _____ of Assured Guaranty Corp., a Maryland corporation ("Assured Guaranty"), in connection with the issuance by Assured Guaranty of its Policy effective as of the date hereof.

In connection with this opinion letter, I have examined an execution copy of the Policy and such documents, certificates, agreements and instruments and proceedings as I have considered necessary or appropriate under the circumstances to render the following opinion. As to all questions of fact material to this opinion letter, which have not been independently established by me, I have relied upon certificates or comparable documents of public officials or of officers and representatives of Assured Guaranty. In addition, I have assumed the genuineness of all signatures other than those of representatives of Assured Guaranty, the authenticity of all documents submitted to me as originals, the conformity to the original document of certified or photostatic copies thereof and the authenticity of the originals of such latter documents.

Based upon the foregoing, and subject to the limitations and qualifications hereinafter set forth, I am of the opinion that:

1. Assured Guaranty is a corporation duly incorporated and validly existing under the laws of the State of Maryland and has all requisite corporate power and authority to issue and to perform its obligations under the Policy in accordance with the terms thereof.
2. The execution and delivery by Assured Guaranty of the Policy, and the performance by Assured Guaranty of its obligations thereunder, have been duly authorized by all necessary corporate action on the part of Assured Guaranty.
3. The Policy has been validly executed and delivered by Assured Guaranty, and constitutes the legal, valid and binding obligation of Assured Guaranty, enforceable against Assured Guaranty in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, liquidation, rehabilitation, moratorium, arrangement, fraudulent conveyance or similar laws or enactments now or hereafter enacted affecting the enforcement of creditors' rights generally, as well as to equitable principles of general application limiting the availability of equitable remedies and the discretion of the court before which any proceeding therefor may be brought (regardless, in each case, of whether enforcement is sought in a proceeding in equity or at law).

I am licensed to practice law in the State of New York, and do not purport to be an expert as to, or to express any opinion concerning the laws of any other jurisdiction other than the laws of the State of New York and the federal laws of the United States of America to the extent specifically referred to herein. To the extent that the opinions set forth herein purport to deal with matters of Maryland law, the statements made therein are based solely upon my review of the corporate documents of Assured Guaranty, my reading of the Maryland General Corporation Law and, in respect of the opinion set forth in paragraph (1) above, my reading of the Maryland Insurance Code.

The opinions expressed herein are limited to the matters expressly set forth herein, and no opinion is implied or may be inferred beyond the matters expressly set forth herein. The opinions expressed herein are based solely on factual matters in existence as of the date hereof and laws and regulations in effect on the date hereof. I assume no obligation to revise or supplement this opinion letter should such factual matters change or should such laws or regulations be changed by legislative or regulatory action, judicial decision or otherwise, and I hereby express no opinion as to the effect any such changes may have on the foregoing opinions.

This opinion letter is being delivered to you solely for your benefit in connection with the issuance of the Policy, and may not be used, circulated, quoted or otherwise referred to or relied upon for any other purpose by any other person, in each case without my express prior written consent.

Very truly yours,

**FORM OF REIMBURSEMENT AGREEMENT
(RESERVE FUND SURETY)**

This AGREEMENT (this "Agreement") is made as of [INSERT DATE] by and between ASSURED GUARANTY CORP., a Maryland insurance corporation (together with its successors and assigns, "Assured Guaranty"), and [INSERT COUNTERPARTY], [INSERT TYPE OF CORPORATION] (together with its successors and assigns, the "Issuer").

WITNESSETH:

WHEREAS, the Issuer [(as hereinafter defined)] will issue the Obligations (as hereinafter defined) pursuant to the terms of the Authorizing Resolution (as hereinafter defined);

WHEREAS, pursuant to the terms of the Financing Agreement (as hereinafter defined) the Issuer has agreed to make certain payments with respect to the Obligations;

WHEREAS, the Issuer has requested that Assured Guaranty, subject to the terms and conditions set forth in the Commitment, issue its Policy (as hereinafter defined) pursuant to which Assured Guaranty will guarantee certain payments by the Issuer subject to the terms and conditions of the Policy;

WHEREAS, as consideration for Assured Guaranty issuing the Policy, the Issuer has agreed to (i) cause to be paid to Assured Guaranty a premium as provided in the Commitment, (ii) reimburse Assured Guaranty for any payment made by Assured Guaranty under the Policy, and (iii) indemnify Assured Guaranty for certain amounts as more fully set forth herein;

WHEREAS, the Issuer acknowledges and agrees that execution and delivery of this agreement is a requirement of Assured Guaranty and an element of the consideration for issuance of the Policy;

NOW, THEREFORE, in consideration of the premises and of the agreements herein contained and of the execution of the Policy, the Issuer and Assured Guaranty agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Except as otherwise defined herein, the following words and phrases shall have the following meanings:

"Agreement" shall mean this Reimbursement Agreement dated [INSERT DATE] between Assured Guaranty and the Issuer, as such agreement may be amended or supplemented.

"Assured Guaranty" shall have the meaning set forth in the first paragraph of this Agreement.

"Authorizing Resolution" shall mean the [INSERT AUTHORIZING RESOLUTION/ORDINANCE/INDENTURE], as amended or supplemented from time to time.

"Available Funds" shall mean [INSERT AVAILABLE REVENUES].

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement [INSERT DATE] by and between [INSERT PARTIES].

"Commitment" shall mean the commitment of Assured Guaranty to issue the Policy dated [INSERT DATE].

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement between [INSERT PARTIES] dated as of [INSERT DATE].

"Debt Service Payments" shall mean those payments required to be made by or on behalf of the Issuer, which will be applied to payment of principal of and interest on the Obligations.

"Demand for Payment" shall mean the certificate submitted to Assured Guaranty for payment under the Policy substantially in the form attached to the Policy.

"Event of Default" shall have the meaning given that term in Section 5.01 hereof.

"Financing Agreement" shall mean [INSERT FINANCING AGREEMENT].

"Financing Documents" shall mean the Authorizing Resolution, the Financing Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement [INSERT ADDITIONAL FINANCING DOCUMENTS] and all other documents entered into by the Issuer with respect to the Obligations, as all such documents are amended from time to time.

"Obligations" shall mean the [INSERT OBLIGATIONS].

"Official Statement" shall mean the Official Statement dated [INSERT DATE] relating to the Obligations.

"Owners" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent for such purpose.

"Paying Agent" shall mean [INSERT PAYING AGENT], or any successor thereto.

"Policy" shall mean financial guaranty insurance policy no. [INSERT POLICY NUMBER] issued by Assured Guaranty guaranteeing, subject to the terms and limitations thereof, the Debt Service Payments.

"Policy Coverage" shall mean the amount available at any particular time to be paid under the terms of the Policy, which amount shall never exceed the Policy Limit.

"Policy Limit" shall mean the Reserve Account Requirement, provided that such amount shall not exceed the amount set forth in the Policy.

"Policy Payment" shall mean an amount equal to the Debt Service Payment required to be made by the Issuer pursuant to the Authorizing Resolution less (i) that portion of the Debt Service Payment paid by or on behalf of the Issuer, and (ii) other funds legally available for payment to the Owners, all as certified in a Demand for Payment.

"Reimbursement Rate" shall mean the per annum rate of interest, publicly announced from time to time by JP Morgan Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JP Morgan Chase Bank, National Association) plus three percent (3%) per annum. The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JP Morgan Chase Bank ceases to announce its prime rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank as Assured Guaranty shall specify.

"Reserve Account Requirement" shall have the meaning ascribed to such term as set forth in the Authorizing Resolution, but only as such term relates to the Obligations.

"State" shall mean the State of New York.

Section 1.02. Generic Terms. The term "hereof" or "herein" unless otherwise modified by more specific reference, shall refer to this Agreement. Unless otherwise specified, the term "Article" or "Section" shall refer to an Article or Section of this Agreement.

ARTICLE II

THE POLICY

Section 2.01. The Policy. Assured Guaranty will issue the Policy in accordance with and subject to the terms and conditions of the Commitment. The maximum liability of Assured Guaranty under the Policy and the coverage and term thereof shall be subject to and limited by the terms and conditions of the Policy.

Section 2.02. Premium. In consideration of Assured Guaranty agreeing to issue the Policy, the Issuer hereby agrees to cause to be paid to Assured Guaranty the premium set forth in the Commitment. The premium on the Policy is not refundable for any reason.

Section 2.03. Policy Limit. Payments under the Policy will reduce the Policy Coverage to the extent of such payment.

Section 2.04. Settlement. Assured Guaranty shall have the exclusive right to settle and determine any claim, liability, suit or judgment relating to the Policy. Any such decision by Assured Guaranty shall be final and binding upon the Issuer for all purposes of this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.01. Due Organization and Qualification. The Issuer is [INSERT TYPE OF CORPORATION] by virtue of, the laws of the State of [INSERT STATE].

Section 3.02. Power and Authority. The Issuer has full corporate power and authority to execute and deliver this Agreement and the Financing Documents. The execution and delivery of this Agreement and the Financing Documents have been duly authorized by the Issuer, and all necessary approvals for the execution, delivery and performance of this Agreement and the Financing Documents have been obtained by the Issuer.

Section 3.03. Non-contravention. The execution and delivery of this Agreement and the Financing Documents, the consummation of the transactions contemplated by this Agreement and the Financing Documents, and the fulfillment of or compliance with the terms and conditions of this Agreement and the Financing Documents, does not conflict with or result in any breach or violation of any of the terms, conditions or provisions of any applicable laws, including regulations, or any material agreement, organizational document or instrument to which it is now a party or by which it is bound, or constitute a default under any of the foregoing which breach or default would materially and adversely affect the consummation of the transactions contemplated by this Agreement.

Section 3.04. Conditions Required for Delivery of the Policy. The Issuer shall provide or cause to be provided to Assured Guaranty prior to the issuance of the Policy (i) conformed copies of this Agreement and the Financing Documents, (ii) certifications of the Issuer, as requested by Assured Guaranty, if any, and (iii) such opinions of legal counsel to the Issuer evidencing necessary or appropriate corporate action taken by the Issuer, and such other documents as may reasonably be requested by Assured Guaranty (including documents evidencing any required approvals of the transactions contemplated by this Agreement and the Financing Documents).

ARTICLE IV

REIMBURSEMENT; INDEMNIFICATION; PAYMENTS

Section 4.01. Reimbursement for Payments Under the Policy and Expenses; Indemnification; Payment.

(a) The Issuer will reimburse Assured Guaranty, from Available Funds, without demand or notice by Assured Guaranty to the Issuer, or any other person, to the extent of each Policy Payment with interest on each Policy Payment from and including the date made to the date of the reimbursement at the lesser of the Reimbursement Rate or the maximum rate of interest permitted by then applicable law. Such reimbursement shall be made not later than [INSERT DAY COUNT] business day after any Policy Payment.

(b) The Issuer will pay all other amounts required to be paid to Assured Guaranty pursuant to the terms of this Agreement or in connection with the transactions contemplated by the Financing Documents, this Agreement, or the Policy, from Available Funds, within one business day of receipt of written notice from Assured Guaranty of the amounts so owed.

(c) The Issuer will pay or reimburse Assured Guaranty, to the extent permitted by law, and solely from Available Funds, any and all charges, fees, costs, losses, liabilities and expenses which Assured Guaranty may pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of this Agreement or any Financing Document including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer, or any affiliate thereof) relating to this Agreement or any other Financing Document, any party to this Agreement or any other Financing Document or the transaction contemplated by the Financing Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under this Agreement or any other Financing Document, if any, or the pursuit of any remedies under any other Financing Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action with respect to, or related to this Agreement, the Policy or any other Financing Document whether or not executed or completed, or (v) any action taken by Assured Guaranty to cure a default or termination or similar event (or to mitigate the effect thereof) under any Financing Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of Assured Guaranty spent in connection with the actions described in clauses (ii)-(v) above. Assured Guaranty reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Agreement or any other Financing Document.

(d) The Issuer will pay interest on the amounts owed in clauses (a), (b), and (c), of this Section 4.01 from the date of any payment due or paid as described in clauses (a) or (c), and from the date of receipt of written notice from Assured Guaranty, as provided in clause (b), in each case at the Reimbursement Rate. If the interest provisions of this clause (d) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by Assured Guaranty, with the same force and effect as if the Issuer had specifically designated such extra sums to be so applied and Assured Guaranty had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Section 4.02. Conduct of Actions or Proceedings. In the event that any action or proceeding (including any governmental investigation) shall be commenced or claim asserted which may entitle Assured Guaranty, any of its subsidiaries and affiliates, and any shareholder, director, officer, employee, agent or "controlling person," within the meaning of Section 15 of the Securities Exchange Act or Section 20 of the Securities Exchange Act, of any of the foregoing (each, an "Indemnified Party" and, collectively, the "Indemnified Parties") to be indemnified under this Agreement, such party shall give the Issuer (the "Indemnifying Party") written notice of such action, proceeding or claim promptly after receipt of written notice thereof. If any such action, proceeding or claim shall be brought against an Indemnified Party, it shall notify the Indemnifying Party thereof. The Indemnified Party shall have the right to employ its own counsel in any such action, proceeding or claim at the expense of the Indemnifying Party and all such reasonable fees and expenses shall be reimbursed promptly as they are incurred.

Section 4.03. Allocation of Payments. Assured Guaranty and the Issuer hereby agree that each payment received by Assured Guaranty from or on behalf of the Issuer as a reimbursement to Assured Guaranty as required by Section 4.01 hereof shall be applied by Assured Guaranty as follows: (i) first, toward repayment of the aggregate Policy Payments made by Assured Guaranty and not yet repaid; payment of which will reinstate all or a portion of the Policy Coverage to the extent of such repayment (but not to exceed the Policy Limit), and (ii) second, upon reinstatement of the Policy Coverage to the Policy Limit, toward other amounts as determined by Assured Guaranty in its sole discretion, including, without limitation, any interest payable with respect to any Policy Payments then due to Assured Guaranty.

Section 4.04. Security for Payments. To the extent, but only to the extent, that, the Authorizing Resolution or any other Financing Document or related indenture, trust agreement, ordinance, resolution, mortgage, security agreement or any similar instrument, if any, pledges to the Issuer, the Owners or any trustee therefore or to any holder of any other obligations of the Issuer secured on a parity basis with the Obligations, or grants a security interest or lien in or on any collateral, property, revenue or other payments ("Collateral and Revenues") in order to secure the Obligations or such parity obligations or provide a source of payment for the Obligations or such parity obligations, the Issuer hereby grants to Assured Guaranty a security interest in or lien on, as the case may be, and pledges to Assured Guaranty all such Collateral and Revenues as security for payment of all amounts due hereunder, under the Authorizing Resolution and under any other Financing Document, (A) which security interest, lien and/or pledge created or granted under this Section 4.04 shall be subordinate only to (i) the interests of the Owners or owners of such parity obligations and any trustee therefor in such Collateral and Revenues, and (ii) the interests of any grantee of any other previously granted security interest in, lien on and/or pledge of such Collateral and Revenue, and (B) which security interest, lien and/or pledge created or granted under this Section 4.04 shall be on a parity with any security interest in, lien on and/or pledge of such Collateral and Revenue hereafter granted to any provider of any letter of credit, surety bond or financial guaranty insurance policy issued to fund a reserve account to the reserve requirement with respect to any parity obligations hereafter issued pursuant to the Authorizing Resolution. The Issuer agrees that it will, from time to time, execute, acknowledge and deliver any instruments as may be necessary or appropriate as shall be requested by Assured Guaranty to perfect or protect the security interests granted hereby.

Section 4.05. Payments. All payments made to Assured Guaranty under this Agreement shall be paid in lawful currency of the United States in immediately available funds to Assured Guaranty Corp., 1325 Avenue of the Americas, New York, New York 10019, Attention: Accounting Department, or at such other place as shall be designated by Assured Guaranty.

Section 4.06. Unconditional Obligation. The obligations of the Issuer to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Issuer and will be paid or performed strictly in accordance with this Agreement, irrespective of:

(a) (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Obligations or any Financing Document, or (ii) any amendment or other modification of, or waiver with respect to the Policy;

(b) any exchange, release or non-perfection of any security interest in property securing the Obligations, this Agreement or any Financing Documents;

(c) whether or not such Obligations are contingent or matured, disputed or undisputed, liquidated or unliquidated;

(d) any amendment, modification or waiver of or any consent to departure from this Agreement, the Policy or all or any of the Financing Documents;

(e) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Issuer may have at any time against the Paying Agent or any other person or entity other than Assured Guaranty, whether in connection with this Agreement, the transactions contemplated herein or in the Financing Documents or any unrelated transactions;

(f) any statement or any other document presented under or in connection with the Policy or the Commitment proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or

(g) any payment by Assured Guaranty under the Policy against presentation of a certificate or other document which does not strictly comply with the terms of the Policy.

ARTICLE V

EVENTS OF DEFAULT; REMEDIES

Section 5.01. Events of Default. The following events shall constitute Events of Default hereunder:

(a) The Issuer shall fail to pay to Assured Guaranty any amount payable under Article IV hereof; or

(b) Any representation or warranty made by the Issuer hereunder or under the Financing Documents or in any report, certificate, financial statement or other instrument provided in connection with the Commitment, the Policy or this Agreement shall have been or is untrue in any material respect; or

(c) Except as otherwise provided in this Section 5.01, the Issuer shall fail to perform any of its other obligations hereunder or under any other Financing Document; or

(d) The occurrence and continuation of an event of default under any Financing Document; or

(e) The Issuer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take action for the purpose of effecting any of the foregoing; or

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Issuer, or of a substantial part of its property, under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law or (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Issuer or for a substantial part of its property, and such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for thirty (30) days.

Section 5.02. Remedies. Whenever an Event of Default referred to in Section 5.01 hereof shall have happened and be continuing, Assured Guaranty may take whatever action at law or in equity as may appear necessary or desirable in Assured Guaranty's judgment to collect the amounts then due and thereafter to become due

hereunder or to enforce performance of any obligation of the Issuer to Assured Guaranty hereunder or under any Financing Document.

Section 5.03. No Remedy Exclusive. Unless otherwise expressly provided, no remedy herein conferred upon or reserved to Assured Guaranty is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Agreement or any Financing Document or existing at law or in equity. No delay or failure to exercise any right or power occurring under this Agreement or any Financing Document upon the happening of any Event of Default set forth in Section 5.01 hereof or an event of default under any Financing Document shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Interest Computations. All computations of premium, interest and fees due hereunder shall be made on the basis of the actual number of days elapsed over a year of 360 days.

Section 6.02. Exercise of Rights. No failure or delay on the part of Assured Guaranty to exercise any right, power or privilege under this Agreement and no course of dealing between Assured Guaranty and the Issuer or any other party shall operate as a waiver of any such right, power or privilege, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which Assured Guaranty would otherwise have pursuant to law or equity. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances, or constitute a waiver of the right of the other party to any other or further action in any circumstances without notice or demand.

Section 6.03. Amendments and Waivers. This Agreement may only be amended, modified, waived, supplemented, discharged or terminated only by written instruments signed by the parties hereto. The Issuer hereby agrees that Assured Guaranty may issue a substitute or replacement for the Policy to cure any ambiguity or omission in the Policy which does not materially change the terms of the Policy nor adversely affect the rights of the Owners, and this Agreement shall apply to such substituted Policy. So long as the Policy is in effect, the Issuer agrees not to amend or supplement any Financing Document so as to adversely affect the rights of Assured Guaranty without the prior written consent of Assured Guaranty.

Section 6.04. Successors and Assigns; Descriptive Headings.

(a) This Agreement shall bind, and the benefits thereof shall inure to, the Issuer and Assured Guaranty and their respective successors and assigns; provided, that the Issuer may not transfer or assign any or all of its rights and obligations hereunder without the prior written consent of Assured Guaranty.

(b) The descriptive headings of the various provisions of this Agreement are inserted for convenience of reference only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 6.05. Waiver. The Issuer waives any defense that this Agreement was executed subsequent to the date of the Policy, admitting and covenanting that such Policy was executed pursuant to their request and in reliance on their promise to execute this Agreement.

Section 6.06. Other Sureties. If Assured Guaranty shall procure any other surety to reinsure the Policy, this Agreement shall inure to the benefit of such other surety, its successors and assigns, so as to give to it a direct right of action against the Issuer to enforce this Agreement and "Assured Guaranty" whenever used herein, shall be deemed to include such reinsuring surety, as its respective interest may appear.

Section 6.07. Notices, Requests, Demands. Except as otherwise expressly provided herein, all written notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been given or made when actually received, or in the case of telex or telecopier notice sent over a telex or a telecopier machine owned or operated by a party hereto, when sent, addressed as specified below or at such other address as any of the parties may hereafter specified in writing to the others:

If to the Issuer:

[INSERT ISSUER]
[INSERT ADDRESS]

Attention: [INSERT CONTACT]
Facsimile No.: [INSERT FAX NUMBER]
Telephone No.: [INSERT TELEPHONE NUMBER]

If to Assured Guaranty:

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, New York 10019
Attention: Risk Management, Public Finance Surveillance
Facsimile No.: (212) 581-3268
Telephone No.: (212) 974-0100
E-mail: RiskManagementDept@assuredguaranty.com
Policy No.: [INSERT POLICY NUMBER]

(in each case in which notice or other communication to Assured Guaranty refers to an event of default, a claim on the Policy or any other event with respect to which failure on the part of Assured Guaranty to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel via facsimile at facsimile number (212) 581-3268 and shall be marked to indicate "URGENT MATERIAL ENCLOSED").

Section 6.08. Survival of Representations and Warranties. All representations, warranties and obligations contained herein shall survive the execution and delivery of this Agreement and the Policy.

Section 6.09. Governing Law. THIS AGREEMENT AND ANY DISPUTES OR CONTROVERIES ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULES OTHER THAN NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401.

Section 6.10. Consent to Jurisdiction.

(a) PURSUANT TO, AND IN ACCORDANCE WITH, SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW (OR TO ANY SUCCESSOR STATUTE THERETO), THE PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY COURT IN THE STATE OF NEW YORK LOCATED IN THE CITY AND COUNTY OF NEW YORK, AND ANY APPELLATE COURT WHICH HEARS APPEALS FROM ANY COURT THEREOF, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST IT AND TO OR IN CONNECTION WITH ANY OF THE FINANCING DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREUNDER OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE HEARD OR DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. THE PARTIES HERETO AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO HEREBY WAIVE AND AGREE NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THE FINANCING DOCUMENTS OR THE SUBJECT MATTER THEREOF MAY NOT BE LITIGATED IN OR BY SUCH COURTS.

(b) To the extent permitted by applicable law, the parties hereto shall not seek and hereby waive the right to any review of the judgment of any such court by any court of any other nation or jurisdiction which may be called upon to grant an enforcement of such judgment.

Section 6.11. Limited Liability. No recourse under this Agreement shall be had against, and no personal liability shall attach to, any officer, employee, agent, director, affiliate, advisor or securityholder of Assured Guaranty, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise in respect of this Agreement or the Policy, it being expressly agreed and understood that the Policy is solely a corporate obligation of Assured Guaranty, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such officer, employee, agent, director, affiliate, advisor or securityholder for breaches by Assured Guaranty of any obligations under the Policy is hereby expressly waived as a condition of and in consideration for the execution and delivery of this Agreement.

Section 6.12. Trial by Jury Waived. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING DIRECTLY OR INDIRECTLY OUT OF, UNDER OR IN CONNECTION WITH ANY PROVISIONS OF THE THIS AGREEMENT OR ANY OTHER THE FINANCING DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREUNDER. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE FINANCING DOCUMENTS TO WHICH IT IS A PARTY BY, AMONG OTHER THINGS, THIS WAIVER.

Section 6.13. Counterparts. This Agreement may be executed in counterparts by the parties hereto and such counterparts shall constitute one and the same instrument, each of which shall be deemed to be an original instrument.

Section 6.14. Further Assurances. Assured Guaranty and the Issuer agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto (including any financing statements, if applicable) and such further instruments as may be required by law or as shall reasonably be requested by Assured Guaranty for carrying out the intention of or facilitating the performance of this Agreement.

Section 6.15. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, the parties hereto agree that such holding shall not invalidate or make unenforceable any other provision hereof. The parties hereto further agree that the holding by any court of competent jurisdiction that any remedy pursued by any party hereto is unavailable or unenforceable shall not affect in any way the ability of such party to pursue any other remedy available to it.

Section 6.16. Survival of Obligations. Notwithstanding anything to the contrary contained in this Agreement, the obligation of the Issuer to pay all amounts due hereunder and the rights of Assured Guaranty to pursue all remedies shall survive the expiration, termination or substitution of the Policy and this Agreement.

Section 6.17. Information and Reporting. The Issuer covenants to provide to Assured Guaranty, promptly upon request, any information regarding the Obligations, the Financing Documents or the financial condition and operations of the Issuer as reasonably requested by Assured Guaranty.

IN WITNESS WHEREOF, each of the parties hereto have duly executed and delivered this Agreement as of the date first above written.

[INSERT ISSUER]

By: _____
Name: [INSERT NAME]
Title: [INSERT TITLE]

ASSURED GUARANTY CORP.

By: _____
Name: [INSERT NAME]
Title: [INSERT TITLE]

FORM OF WIRE INSTRUCTIONS

Premium Payment Instructions for Assured Guaranty Corp.:

Bank: JP Morgan Chase New York
Account Name: Assured Guaranty Corp. - Premium
Account Number: 323-355919
ABA Number: 021-000-021
Reference: [Insert Issuance]
Policy Number: [Insert Policy Number]

Confirmation of Receipt of Premium:

Please provide Assured Guaranty Corp. Attention: Closing Coordinator, with a wire reference number when such premium is sent. Upon confirmation of the premium payment and satisfaction of all other conditions set forth in the commitment letter, Assured Guaranty will release the Policy.

If you have any questions, please contact the Closing Coordinator at Assured Guaranty Corp.

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by St. Johns County, Florida (the "Issuer") in connection with the issuance of its \$_____ St. Johns County, Florida Sales Tax Revenue Refunding Bonds, Series 2009A (the "Series 2009A Bonds"). The Series 2009A Bonds are being issued pursuant to the Issuer's Resolution No. 86-132, adopted by the Issuer on September 30, 1986, as amended and supplemented, particularly as supplemented by Resolution No. 89-143, adopted by the Issuer on July 27, 1989, as amended, and Resolution No. 2009-____, adopted by the Issuer on June 16, 2009 (collectively, the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Series 2009A Bondholders and in order to assist the original underwriter of the Series 2009A Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 (the "Rule").

SECTION 2. PROVISION OF ANNUAL INFORMATION. Except as otherwise provided herein, the Issuer shall provide to all of the nationally recognized municipal securities information repositories described in Section 4 hereof (the "NRMSIRs"), to any state information depository that is established within the State of Florida (the "SID") and to Assured Guaranty Corp. (the "Insurer"), on or before June 30 of each year, commencing June 30, 2010, the information set forth below in this Section 2. Notwithstanding the immediately preceding sentence, to the extent any such information does not become available to the Issuer before June 30 of any year, the Issuer shall provide such information when it becomes available, but no later than one year following the end of the Issuer's Fiscal Year.

(A) The Issuer's Comprehensive Annual Financial Report for the immediately preceding Fiscal Year (the "CAFR"), which shall include the audited financial statements of the Issuer for the immediately preceding Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board; provided, however, if the audited financial statements of the Issuer are not completed prior to June 30 of any year, the Issuer shall provide unaudited financial statements on such date and shall provide the audited financial statements as soon as practicable following their completion; and

(B) To the extent not set forth in the CAFR, additional financial information and operating data of the type included with respect to the Issuer in the final official

statement prepared in connection with the sale and issuance of the Series 2009A Bonds (as amended, the "Official Statement"), as set forth below:

1. Updates of information set forth in the Official Statement relating to:
 - (a) Table entitled "St. Johns County and Municipalities Percent of Total Half-Cent Sales Tax Revenues Last Five Years" (p. __);
 - (b) Table set forth under the sub-heading "Historical Receipts of Local Government Half-Cent Sales Tax by the County," which shows the Local Government Half-Cent Sales Tax received by the County over the last five fiscal years (p. __);
2. Description of any additional indebtedness secured in whole or in part from the Pledged Funds (as defined in the Official Statement).

For purposes of this Disclosure Certificate, "Fiscal Year" means the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

SECTION 3. REPORTING SIGNIFICANT EVENTS. The Issuer shall provide to the NRMSIRs or the Municipal Securities Rulemaking Board (the "MSRB"), to the SID and to the Insurer, on a timely basis, notice of any of the following events, if such event is material with respect to the Series 2009A Bonds or the Issuer's ability to satisfy its payment obligations with respect to the Series 2009A Bonds:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults;
- (C) Unscheduled draws on the debt service reserve fund reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancement reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions or events affecting the tax-exempt status of the Series 2009A Bonds;
- (G) Modifications to rights of Series 2009A Bondholders;
- (H) Calls on the Series 2009A Bonds;

- (I) Defeasance of the Series 2009A Bonds;
- (J) Release, substitution, or sale of property securing repayment of the Series 2009A Bonds;
- (K) Rating changes; and
- (L) Notice of any failure on the part of the Issuer or any other Obligated Person (as defined herein) to meet the requirements of Section 2 hereof.

The Issuer may from time to time, in its discretion, choose to provide notice of the occurrence of certain other events, in addition to those listed in this Section 3, if, in the judgment of the Issuer, such other events are material with respect to the Series 2009A Bonds, but the Issuer does not specifically undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above.

Whenever the Issuer obtains knowledge of the occurrence of a significant event described in this Section 3, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities law to holders of Series 2009A Bonds, provided, that any event under clause (L) above will always be deemed to be material.

SECTION 4. NRMSIRs. The NRMSIRs to which the Issuer shall provide the information described in Sections 2 and 3 above, to the extent required, shall be the NRMSIRs then existing on the date such information is provided in accordance with the terms of this Disclosure Certificate. The following organizations are the NRMSIRs in existence on the date hereof:

- (a) Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
Email: Munis@Bloomberg.com
- (b) DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
Email: nrmsir@dpcdata.com

(c) Interactive Data Pricing and Reference Data, Inc.
Attn: NRMSIR
100 William Street, 15th Floor
New York, New York 10038
Phone: (212) 771-6999
Toll free: (800) 689-8466
Fax: (212) 771-7390 (secondary market information)
Fax: (212) 771-7391 (primary market information)
Email: NRMSIR@interactivedata.com

(d) Standard & Poor's Securities Evaluations, Inc.
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
Email: nrmsir_repository@sandp.com

(e) Any NRMSIRs that are established subsequently and approved by the SEC.

(f) A list of the names and addresses of all designated NRMSIRs as of any date may currently be obtained by calling the SEC's Fax on Demand Service at 202/942-8088 and requesting document number 0206 or by visiting the SEC's website at "www.sec.gov/info/municipal/nrmsir.htm." However, in lieu of filing with the NRMSIRs and SID, if any, the Issuer may provide the required information to:

Disclosure USA
P.O. Box 684667
Austin, Texas 78768-4667
<http://www.disclosureusa.org>
Fax: (512) 476-6403

Notwithstanding the foregoing, effective July 1, 2009, or such later date as the SEC shall state as the effective date for the amendments to the Rule pursuant to Release No. 34-59062 (December 5, 2008), the disclosure of information hereunder shall be made by submitting such information only to the MSRB via its Electronic Municipal Market Access ("EMMA") system.

SECTION 5. NO EVENT OF DEFAULT. Notwithstanding any other provision in the Resolution to the contrary, failure of the Issuer to comply with the provisions of this Disclosure Certificate shall not be considered an event of default under the Resolution. To the extent permitted by law, the sole and exclusive remedy of any Series 2009A Bondholder for the enforcement of the provisions hereof shall be an action

for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations hereunder. For purposes of this Disclosure Certificate, "Series 2009A Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2009A Bonds (including persons holding Series 2009A Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Series 2009A Bond for federal income tax purposes.

SECTION 6. INCORPORATION BY REFERENCE. Any or all of the information required herein to be disclosed may be incorporated by reference from other documents, including official statements or debt issues of the Issuer or related public entities, which have been submitted to each of the NRMSIRs or the MSRB, the SID, if any, and the Insurer or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each document incorporated by reference.

SECTION 7. DISSEMINATION AGENTS. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor disseminating agent.

SECTION 8. TERMINATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon (A) the legal defeasance, prior redemption or payment in full of all of the Series 2009A Bonds, or (B) the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 9. AMENDMENTS. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision may be waived, if such amendment or waiver is supported by an opinion of counsel that is nationally recognized in the area of federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in its annual information described in Section 2 hereof or notice of occurrence of a significant event described in Section 3 hereof, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in its annual information or notice of occurrence of a significant event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this

Disclosure Certificate to update such information or include it in its future annual information or notice of occurrence of a significant event.

SECTION 11. OBLIGATED PERSONS. If any person, other than the Issuer, becomes an Obligated Person (as defined in the Rule) relating to the Series 2009A Bonds, the Issuer shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

SECTION 12. DISSEMINATION COVER SHEET. For the convenience of the Issuer, attached hereto as Exhibit A is a cover sheet that the Issuer may use to accompany any report that is required to be filed pursuant to the provisions of this Certificate. The Issuer is not required to use such cover sheet.

Dated: _____, 2009

ST. JOHNS COUNTY, FLORIDA

By: _____
Chair, Board of County Commissioners

APPENDIX A

DISSEMINATION COVER SHEET

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement
(please include name of state where issuer is located):

Provide nine-digit CUSIP* numbers if available, to which the information relates:

IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located):

Other Obligated Person's Name (if any):

(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP number(s), if available, of Issuer:

(Contact CUSIP's Municipal Disclosure Assistance Line at 212-438-6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

☐ Electronic (number of pages attached)

 ☐ Paper (number of pages attached)

If information is also available on the Internet, give URL:

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

A. ☐ Annual Financial Information and Operating Data pursuant to Rule 15c2-12

(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: _____

B. ☐ Audited Financial Statements or CAFR pursuant to Rule 15c2-12

Fiscal Period Covered: _____

C. ☐ Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

1. ☐ Principal and interest payment

tax- delinquencies

2. ☐ Non-payment related defaults

3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties

4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties

5. ☐ Substitution of credit or liquidity providers, or their failure to perform

6. ☐ Adverse tax opinions or events affecting the exempt status of the security

7. ☐ Modifications to the rights of security holders

8. ☐ Bond calls

9. ☐ Defeasances

10. ☐ Release, substitution, or sale of property securing repayment of the securities

11. ☐ Rating changes

D. ☐ Notice of Failure to Provide Annual Financial Information as Required

E. ☐ Other Secondary Market Information (Specify): _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

Issuer Contact:

Name: _____

Title: _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Issuer Web Site Address _____

Dissemination Agent Contact, if any:

Name: _____

Title: _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Issuer Web Site Address _____

Obligor Contact, if any:

Name: _____

Title: _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Issuer Web Site Address _____

Investor Relations Contact, if any:

Name _____

Title _____

Telephone _____

Email Address _____

EXHIBIT E

ESCROW DEPOSIT AGREEMENT

In consideration of the facts hereinafter recited and of the mutual covenants and agreements herein contained, St. Johns County, a political subdivision created and existing under the laws of the State of Florida (the "Issuer"), and Regions Bank, an Alabama chartered commercial bank, as Escrow Agent (the "Escrow Agent"), do hereby agree as follows:

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

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

"Agreement" shall mean this Escrow Deposit Agreement.

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

"Bonds" shall mean the Issuer's Sales Tax Revenue Refunding Bonds, Series 2009A, authorized pursuant to the Resolution.

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

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

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

"Refunded Obligations" shall mean the Issuer's outstanding Sales Tax Revenue Refunding Bonds, Series 1998.

"Resolution" shall mean Resolution No. 2009-___ adopted by the Issuer on June 16, 2009, as amended and supplemented from time to time, authorizing issuance of the Bonds and the execution and delivery of this Agreement.

“Verification Report” shall mean the Verification Report dated July ___, 2009, issued by Grant Thornton LLP, independent certified public accountants, in connection with the issuance of the Bonds, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

Section 2. Recitals.

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

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

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

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

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

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

(a) to hold the same in irrevocable escrow for application in the manner provided herein;

(b) to apply such cash and the proceeds of such Federal Securities in the manner provided in this Agreement, and only in such manner;

(c) to invest immediately \$_____ thereof by purchasing the Federal Securities described in the Verification Report;

(d) to retain \$_____ thereof in cash in the Escrow Account for application as shown in the Verification Report; and

(e) to deposit in the Escrow Account, as received, the principal of all of such Federal Securities described in the Verification Report and any other Federal Securities acquired hereunder which shall mature during the term of this Agreement, all interest which shall be derived during the term of this Agreement from such Federal Securities and any other Federal Securities acquired hereunder, and the proceeds of any sale, transfer, redemption or other disposition of such Federal Securities and any other Federal Securities acquired hereunder.

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

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

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

(b) Fees and Expenses.

(i) In consideration of the services rendered by the Escrow Agent under this Agreement, the Issuer upon the execution hereof has paid to the Escrow Agent a fee of \$_____ for all services and ordinary expenses to be incurred as Escrow Agent in connection with such services. The term "ordinary expenses" means expenses of holding, investing and disbursing the Escrow Account as provided herein.

- (ii) The Issuer shall also reimburse the Escrow Agent for any extraordinary expenses incurred by it in connection herewith. The term “extraordinary expenses” includes (a) expenses arising out of the assertion of any third party to any interest in the Escrow Account or any challenge to the validity hereof, including reasonable attorneys’ fees, (b) expenses relating to any substitution under Section 8 hereof, and (c) expenses (other than ordinary expenses) not occasioned by the Escrow Agent’s misconduct or negligence.
- (iii) The fees, expenses and moneys payable by the Issuer under Sections 9 and 10 hereof and this section shall not be paid from the Escrow Account, but shall be paid by the Issuer from legally available funds of the Issuer. The Escrow Agent shall have no lien for the payment of its fees or expenses or otherwise for its benefit on the Escrow Account and hereby waives any rights of set off against the Escrow Account which it may lawfully have or acquire.

Section 6. Notice of Redemption. Pursuant to the Resolution, the Issuer hereby calls all Refunded Obligations for redemption on _____, 2009, at a redemption price of [100] percent (expressed as a percentage of the principal amount of the Refunded Obligations to be redeemed), plus accrued interest to the redemption date. The Issuer acknowledges that it has given irrevocable instructions to the registrar for the Refunded Obligations to give notice of such call for redemption in the manner provided in the resolution of the Issuer pursuant to which the Refunded Obligations were issued.

Section 7. No Redemption or Acceleration of Maturity. The Issuer will not accelerate the maturity of any Refunded Obligations or exercise any option to redeem any Refunded Obligations before _____, 2009.

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

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

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

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

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

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

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

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

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

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

Section 11. Resignation of Escrow Agent. The Escrow Agent may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer and the registered owners of the Refunded Obligations not less than 60 days before such resignation shall take effect. Such resignation shall take effect immediately upon the appointment of a new Escrow Agent hereunder, if such new Escrow Agent shall be appointed before the time limited by such notice and shall then accept the duties and obligations of the Escrow Agent hereunder.

Section 12. Removal of Escrow Agent.

(a) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, executed by the owners of not less than 51 percent in aggregate principal amount of the Refunded Obligations then outstanding, such instrument or instruments to be filed with the Issuer, and notice provided to the registered owners of the Refunded Obligations not less than 60 days before such removal is to take effect as stated in said instrument or instruments. A photographic copy of any instrument filed with the Issuer under the provisions of this paragraph shall be delivered by the Issuer to the Escrow Agent.

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

Section 13. Successor Escrow Agent.

(a) If at any time hereafter the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Agent shall thereupon become vacant. If the position of Escrow Agent shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall appoint a successor Escrow Agent to fill such vacancy. The Issuer shall mail notice of any such appointment to the registered owners of the Refunded Obligations.

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

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

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

Section 14. Predecessor Escrow Agent. Every predecessor Escrow Agent shall deliver to its successor and also to the Issuer an accounting of all moneys and securities held by it under this Agreement, and shall deliver to its successor all such moneys and securities held by it as Escrow Agent hereunder.

Section 15. Amendments. This Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent, the Issuer and Assured Guaranty Corp. (so long as it is in compliance with its obligations under the financial guaranty insurance policy insuring the Bonds); provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement;

(b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Obligations, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 15, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section 15.

Section 16. Notices. All notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when mailed or delivered by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to the Issuer: St. Johns County, Florida
4010 Lewis Speedway
St. Augustine, Florida 32084
Attention: Finance Director

If to the Escrow Agent: Regions Bank
Corporate Trust Services
10245 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256

The Issuer and the Escrow Agent may, by notice given hereunder, designate any further or different addresses to which subsequent notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same may be directed.

Section 17. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Obligations and the interest thereon shall have been paid and discharged in accordance with the proceedings authorizing the Refunded Obligations and all excess moneys have been paid to the Issuer.

Section 18. Severability. If any of the covenants, agreements or provisions of this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant, agreement or provision shall be null and void, shall be deemed separable from the remaining covenants, agreements and provisions of this Agreement and shall in no way affect the validity of the remaining covenants, agreements or provisions of this Agreement.

Section 19. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as the original and shall constitute and be but one and the same instrument.

Section 20. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their seals to be hereunto affixed and attested, all as of the _____ day of _____, 2009.

ST. JOHNS COUNTY, FLORIDA

By _____
Chair of its Board of County
Commissioners

(SEAL)
ATTEST:

Clerk of its Board of
County Commissioners

REGIONS BANK
as Escrow Agent

By _____
Vice President and Trust Officer

EXHIBIT A
VERIFICATION REPORT