

JOHNSON, POPE, BOKOR, RUPPEL & BURNS, LLP  
ATTORNEYS AND COUNSELLORS AT LAW

E. D. ARMSTRONG III  
BRUCE H. BOKOR  
JOHN R. BONNER, SR.\*  
GUY M. BURNS  
JONATHAN S. COLEMAN  
MICHAEL T. CRONIN  
ELIZABETH J. DANIELS  
BECKY FERRELL-ANTON  
COLLEEN M. FLYNN  
RINAT HADAS

MARION HALE  
SCOTT C. ILGENFRITZ  
FRANK R. JAKES  
TIMOTHY A. JOHNSON, JR.  
SHARON E. KRICK  
ROGER A. LARSON  
LEANNE LETIZE  
ANGELINA E. LIM  
MICHAEL G. LITTLE  
CHIH-PIN LU\*

MICHAEL C. MARKHAM  
ZACHARY D. MESSA  
A. R. "CHARLIE" NEAL  
TROY J. PERDUE  
BRETON H. PERMESLY  
F. WALLACE POPE, JR.  
ROBERT V. POTTER, JR.  
AUDREY B. RAUCHWAY  
DARRYL R. RICHARDS  
PETER A. RIVELLINI

DENNIS G. RUPPEL\*  
CHARLES A. SAMARKOS  
PHILIP M. SHASTEEN  
JOAN M. VECCHIOLI  
STEVEN H. WEINBERGER  
JOSEPH J. WEISSMAN  
STEVEN A. WILLIAMSON

\*OF COUNSEL

VIA FACSIMILE and U.S. MAIL

PLEASE REPLY TO CLEARWATER

FILE NO. 08149.04813

December 20, 2005

Ms. Linda Dufresne  
Dufresne & Associates, CPA, PA  
P.O. Box 1179  
Orange Park, FL 32067

Re: Accounting for SHIP Funds

Dear Linda:

This letter is written as a follow up to your telephonic inquiry regarding the propriety of the HFA's distribution policy as it relates to reimbursement of SHIP funds. Based upon my review of the underlying documentation and discussions with representatives of the HFA, I believe that the treatment for reimbursement of prior SHIP advances has been proper.

I reviewed the various agreements with the participating municipalities and relevant provisions of the Trust Indenture. Factually, the HFA reimbursed the Pinellas County General Fund advance for approximately \$350,000 in connection with the 1999A Bonds. Please remember that the reimbursement of the Pinellas County General Fund is not a SHIP advance. Thereafter, the HFA then reimbursed itself and the SHIP participants, on a pro rata basis, to the release of funds pursuant to Section 2.05(c)(1) of the 1999 Supplement to Trust Indenture.

The Trust Indenture is silent as to reimbursement policies. The relevant provisions of the SHIP agreements provide that SHIP participants are entitled to a pro rata repayment as provided for in the Trust Indenture. The Trust Indenture does not require that SHIP funds be reimbursed prior to reimbursement of County funds or HFA advances. It merely provides that if and when SHIP funds are reimbursed, that they are reimbursed pro rata.

It would appear that the HFA reimbursed SHIP funds on a pro rata basis. The fact that the Pinellas County General Funds were reimbursed prior to the reimbursement of SHIP funds and that the HFA reimbursed itself for its advances,

CLEARWATER OFFICE  
911 CHESTNUT ST.  
POST OFFICE BOX 1368 (ZIP 33757-1368)  
CLEARWATER, FLORIDA 33756-5643  
TELEPHONE: (727) 461-1818  
TELECOPIER: (727) 441-8617

TAMPA OFFICE  
403 EAST MADISON STREET  
SUITE 400  
POST OFFICE BOX 1100 (ZIP 33601-1100)  
TAMPA, FLORIDA 33602  
TELEPHONE: (813) 225-2500  
TELECOPIER: (813) 223-7118

JOHNSON, POPE, BOKOR, RUPPEL & BURNS, LLP  
ATTORNEYS AND COUNSELLORS AT LAW

Ms. Linda Dufresne  
Dufresne & Associates, CPA, PA  
December 20, 2005  
Page 2

does not, in my opinion, constitute a default or breach under the relevant agreements with the participating municipalities. I do agree with you that if and when SHIP funds are disbursed that they should be disbursed pro rata, as has been the Authority's past course of conduct.

I trust that the above adequately addresses your inquiry. If you need any additional information, please do not hesitate to contact me.

Very truly yours,



Michael T. Cronin

MTC/ej/363266