
IN THE SUPREME COURT OF FLORIDA

Case No. 87,857

Bond Validation Appeal From
The Circuit Court Of
Martin County, Florida

JAMES NOBLE, M.D.,

Appellant,

v.

MARTIN COUNTY HEALTH FACILITIES AUTHORITY,
THE STATE OF FLORIDA, and J.D. LOOKADOO, JR.,

Appellees.

ANSWER BRIEF AND SUPPLEMENTAL APPENDIX
OF APPELLEE
MARTIN COUNTY HEALTH FACILITIES AUTHORITY

FIELDSTONE LESTER & SHEAR
Paul A. Lester
First Union Financial Center
200 S. Biscayne Blvd.
Suite 2100
Miami, FL 33131-2104
(305) 982-1555

HOLLAND & KNIGHT
Hume F. Coleman
Susan L. Turner
P.O. Drawer 810
Tallahassee, FL 32302
(904) 224-7000

Attorneys for Martin County
Health Facilities Authority

TABLE OF CONTENTS

	Page
TABLE OF CONTENTS	i
TABLE OF CITATIONS	ii
STATEMENT OF THE CASE AND FACTS	1
SUMMARY OF THE ARGUMENT	4
ARGUMENT	5
I. THE CIRCUIT COURT CORRECTLY REJECTED DR. NOBLE'S OBJECTIONS AS BEYOND THE SCOPE OF BOND VALIDATION PROCEEDINGS.	5
II. THE BONDS WERE ISSUED FOR A PROPER PUBLIC PURPOSE.	7
CONCLUSION	11
CERTIFICATE OF SERVICE	13
SUPPLEMENTAL APPENDIX (attached)	

TABLE OF CITATIONS

Page (s)

CASES

<u>City of West Palm Beach v. State,</u> 113 So. 2d 374, 377 (Fla. 1959)	9
<u>DeSha v. City of Waldo,</u> 444 So. 2d 16, 17-18 (Fla. 1984)	11
<u>Linscott v. Orange County Indus. Dev. Auth.,</u> 443 So. 2d 97, 101 (Fla. 1983)	9
<u>McCoy Restaurants, Inc. v. City of Orlando,</u> 392 So. 2d 252 (Fla. 1980)	11
<u>Orange County Indus. Dev. Auth. v. State of Florida,</u> 427 So. 2d 174, 179 (Fla. 1983)	10
<u>Rowe v. St. John's County,</u> 668 So. 2d 196, 198 (Fla. 1996)	6, 11
<u>State v. Sarasota County,</u> 372 So. 2d 1115, 1118 (Fla. 1979)	8
<u>Town of Medley v. State,</u> 162 So. 2d 257 (Fla. 1964)	6, 11
<u>Wald v. Sarasota County Health Facilities Authority,</u> 360 So. 2d 763 (Fla. 1978)	9

FLORIDA CONSTITUTION

Art. V, § 3(b) (2)	1
--------------------	---

FLORIDA STATUTES (1995)

Ch. 75	4
§ 75.08	1
Ch. 154	1
§ 154.203	8-9

§ 154.209(5)	8-9
§ 154.209(10)	8-9
§ 154.219	8-9
§ 154.235	8-9

FLORIDA RULES

Fla. R. App. P. 9.020(f)(2)	1
-----------------------------	-----------	---

STATEMENT OF THE CASE AND FACTS

This is a direct appeal from a final bond validation judgment entered by the Circuit Court of Martin County, Florida. [A 7.] This Court has jurisdiction. Art. V, § 3(b)(2), Fla. Const.; § 75.08, Fla. Stat. (1995).

The issuer of the bonds, and an appellee here, is the Martin County Health Facilities Authority (the "Authority").¹ The Authority was created by resolution of the Martin County Board of County Commissioners in 1982, pursuant to Chapter 154, Florida Statutes. [A 1, Ex. A (Resolution 82-2.13).] The Authority adopted a resolution on August 31, 1995, authorizing the issuance of an aggregate principal amount of not more than \$45,000,000² in bonds, known as the "Martin County Health Facilities Authority Hospital Revenue Bonds, Series 1995A," and "Martin County Health Facilities Authority Hospital Revenue Refunding Bonds, Series 1995B" (together, the "Bonds"). The Bonds were authorized for the purposes of refunding an earlier bond issue; financing capital expenditures, improvements, and equipment for the Martin Memorial Medical Center, a not-for-profit medical center in Stuart, Florida (the "Medical Center"); and paying costs of reserve funds, bond insurance, and issuance costs. [A 1, Ex. C.] The Bonds will not directly or indirectly obligate the State or any political

¹ Although the notice of appeal and initial brief identify only the Authority as appellee, the State of Florida and J.D. Lockadoo, Jr., an Intervenor below, are also appellees by virtue of Fla. R. App. P. 9.020(f)(2).

² Under circumstances not relevant here, the face amount of the Bonds due at maturity may exceed \$45,000,000. [A 1 at p.3.]

subdivision of the State, and neither the full faith and credit nor the taxing power of the State or any political subdivision is pledged for payment of the principal of or interest on the Bonds. [A 7 at 5.]

The Authority filed its complaint in Martin County Circuit Court in January, 1996, seeking validation of the Bonds. [A 1.] The court entered an order to show cause and set a hearing for the bond validation proceedings to occur on March 13, 1996. [A 2.] The order to show cause was later amended,³ and the amended order was published in The Stuart News and The Port St. Lucie News once each week for two consecutive weeks prior to the bond validation hearing. [SA 2.] The accounts receivable manager for the newspaper attested that the newspaper is in general circulation in Martin County and in St. Lucie County. [Id.]

Appellant, James Noble, M.D. ("Dr. Noble"), objected to the validation of the bonds on two grounds.⁴ First, he maintained that proceeds from the Bonds would be expended for facilities in St. Lucie County, Florida, in addition to Martin County, and therefore that notification should be published in St. Lucie County

³ The order to show cause was amended to reflect the correct street address of the courthouse where the hearing would be held, and the dates and times, previously handwritten, were typed in the amended order. [A 2.]

⁴ Another intervenor, identified as J.D. Lookadoo, Jr., M.T., filed a notice of intent to file a motion for rehearing of the bond validation [A 5], but there is no indication that he pursued it. The circuit court's final order validating the Bonds finds that the notice was "legally insufficient as a matter of law because the notice raise[d] matters wholly collateral to the validation proceedings." [A 7 at 7.]

as well as in Martin County. [A 3.] Dr. Noble also argued that because the proceeds of the Bonds would be used in Martin County, the Medical Center would be able to use other funds, unrelated to the bond issue, to further its business in St. Lucie County. [A 6 at 19-20.] There was no evidence that any proceeds of the Bonds would go to St. Lucie County. To the contrary, the testimony at hearing was that the proceeds would be expended exclusively within Martin County. [A 6 at 4, 8-10.] In any event, publication covered both counties. [SA 2.]

Second, Dr. Noble asserted that the trustee for other hospital bonds issued in 1976 had breached its fiduciary duty by allegedly permitting an escrow balance to fall below its mandatory minimum amount. [A 3 at 2; A 4a at 25-27.] Dr. Noble claimed that he had been unable to obtain documentation related to this claim before the Martin County Commission met and approved the Bonds, and that the Commission denied him due process of law by refusing a continuance until he could obtain the documentation he sought. [Id.] He later allegedly obtained the documentation, and filed a number of unauthenticated documents purporting to show activity in an escrow account [A 4], but presented no testimony or other evidence, except his own cursory testimony, to identify the documents or to explain or support his allegations. He argued at the hearing that the bonds should not be validated because of this alleged escrow discrepancy from a previous 1976 bond issue. [A 6 at 21-22.]

The circuit court entered an order validating the Bonds after finding that the Authority was authorized to issue the Bonds, that the purpose of the Bonds is legal, the proceedings were proper, and that Dr. Noble's challenges were "collateral issues over which this Court lacks subject matter jurisdiction in this proceeding." [A 6 at 27-28; A 7.] Dr. Noble has appealed. [A 8.]

On appeal, Dr. Noble newly characterizes his arguments as being directed to whether or not the Bonds served a valid public purpose. [In. Br. 4-5.] Thus, he argues on appeal that his contentions were within the jurisdiction of the circuit court.

SUMMARY OF THE ARGUMENT

Chapter 75, Florida Statutes, governs bond validation proceedings and limits the scope of a bond validation proceeding to the issuing body's authority to issue the bonds, the validity of the public purpose, and the bond issue's compliance with the requirements of law. The circuit court does not have jurisdiction in a bond validation proceeding to adjudicate issues such as those Dr. Noble raised: that the issuance of the Bonds would permit the Medical Center to expend other funds of its own, unrelated to the Bonds, in another county; and that the trustee on a previous 1976 bond issue allegedly made a mistake in handling that bond issue's escrow account. His contentions are not relevant to issues within the scope of Chapter 75 bond validation proceedings, and thus the

trial court properly ruled that they were collateral to the bond validation proceeding.

Even if Dr. Noble's contentions are considered challenges to the validity of the public purposes of the Bonds, which is within the jurisdiction of the circuit court, Dr. Noble failed to adduce any competent substantial evidence in support of his contentions, and therefore cannot show that the circuit court's decision was clearly erroneous. The record fully supports the circuit court's findings, including its finding that the Bonds are being issued for a valid public purpose, and its decision that the Bonds are valid. The judgment should be affirmed.

ARGUMENT

I. THE CIRCUIT COURT CORRECTLY REJECTED DR. NOBLE'S OBJECTIONS AS BEYOND THE SCOPE OF BOND VALIDATION PROCEEDINGS.

The law is well settled that a bond validation proceeding has a narrow scope:

The scope of judicial inquiry in bond validation proceedings is limited to the following issues: 1) determining if the public body has the authority to issue the bonds; 2) determining if the purpose of the obligation is legal; and 3) ensuring that the bond issuance complies with the requirements of law.

Rowe v. St. Johns County, 668 So. 2d 196, 198 (Fla. 1996). Despite this narrow scope of bond validation hearings, Dr. Noble argued before the circuit court that the Bonds should not be validated because the issuance of the Bonds would free up other money for the

Medical Center to use in St. Lucie County,⁵ and because the intended trustee for the Bonds had allegedly allowed the escrow balance on an earlier 1976 bond issue to fall below a mandatory minimum amount. At best, these are legislative issues properly determinable by the governing body, and are not proper subjects of judicial review. Town of Medley v. State, 162 So. 2d 257 (Fla. 1964). The circuit court was imminently correct in ruling that these two arguments were collateral to the proper scope of a bond validation proceeding, and Dr. Noble has not cited any authority holding or even suggesting that these issues would be within the court's jurisdiction in a bond validation proceeding.

Even if Dr. Noble's two arguments were properly before the circuit court in a bond validation proceeding, Dr. Noble utterly failed to adduce any competent substantial evidence in support of his arguments. The record contains not an iota of evidence that the proceeds from the Bonds will result in the Medical Center's expending funds in St. Lucie County that it would not otherwise have spent there. Dr. Noble merely testified in self-serving and conclusory terms that he believed that would be the case.

⁵ As already noted, Dr. Noble also argued a related point, that proceeds from the Bonds would be used in St. Lucie County and therefore the legal notice was required to be published in St. Lucie County as well as in Martin County. The publication covered both counties, but the issue is moot because there was no evidence that the Bond proceeds would be used in St. Lucie County, and direct evidence that the proceeds would be used only in Martin County. Dr. Noble has not pursued this point on appeal.

The record likewise contains no evidentiary support for Dr. Noble's charge of breach of fiduciary duty against the trustee of an earlier 1976 bond issue. Dr. Noble filed with the circuit court a set of papers containing what purport to be an accounting firm's opinion letter on the arithmetical accuracy of computations of debt service related to the 1976 bond issue, schedules reflecting yield and cash flow on the 1976 bond issue, and other schedules and documents. [A 4.] But at no time did Dr. Noble identify the documents, authenticate them, place them in evidence, or furnish any explanatory testimony about them (such as by calling a trust officer of the trustee, or an expert witness, to explain the escrow account management and establish whether or not the documentation established any breach of fiduciary duty or in any way affected the bond issue). The documents are meaningless and establish nothing at all. The circuit court properly rejected Dr. Noble's objections.

II. THE BONDS WERE ISSUED FOR A PROPER PUBLIC PURPOSE.

Dr. Noble maintains for the first time on appeal that his arguments below were directed to the issue of whether or not the Bonds were being issued for a proper public purpose. He argues that a bond validation proceeding ought to consider the "competitive or economic effects" that will result from validation of the Bonds. [In. Br. 8.] He is not entitled to raise these issues for the first time on appeal. State v. Sarasota County, 372 So. 2d 1115, 1118 (Fla. 1979). This Court is a court of review,

and cannot pass upon matters that the circuit court has had no opportunity to consider.

Nevertheless, even if Dr. Noble's arguments below could be construed as a challenge to the public purpose of the Bonds, his arguments must fail and his authorities be rejected as inapposite. The Medical Center is a not-for-profit facility, and the Authority has already been found to have the right to issue bonds for the purpose of providing health care facilities to the community, which the Florida Legislature has declared to be a valid paramount public purpose:

It is declared that for the benefit of the people of this state, ... it is essential that health facilities within each county and municipality in the state be provided with appropriate additional means to assist in the development and maintenance of the public health. ... The necessity in the public interest of the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

* * *

[T]he [health facilities] authority is authorized and empowered ... [t]o construct, acquire, own, lease, repair, maintain, extend, expand, improve, rehabilitate, renovate, furnish, and equip projects and to pay all or any part of the costs thereof from the proceeds of bonds of the authority or from any contribution, gift, or donation or other funds made available to the authority for such purpose.

* * *

To issue bonds for the purpose of providing funds to pay all or any part of the cost of any project and to issue refunding bonds.

§§ 154.203, 154.209(5), 154.209(10), Fla. Stat. (1995). See also id. § 154.219 (revenue bonds); id. § 154.235 (refunding bonds)

These specific legislative findings of public purpose are entitled to great deference, as the Court has recognized on numerous occasions. See, e.g., Wald v. Sarasota County Health Facilities Authority, 360 So. 2d 763 (Fla. 1978) (finding as valid public purpose health facilities authority bonds used to refinance private hospital construction costs and costs of improvements). The Bonds need not serve a "paramount" public purpose, but are valid if they serve a public purpose. Linscott v. Orange County Indus. Dev. Auth., 443 So. 2d 97, 101 (Fla. 1983). The sole evidence in the record is that the Bonds are nonrecourse bonds that will furnish such legislatively-authorized facilities in Martin County. They therefore satisfy the public purpose doctrine.

Dr. Noble relies on City of West Palm Beach v. State, 113 So. 2d 374, 377 (Fla. 1959), for the proposition that the public purpose doctrine is violated if bonds are issued as an "improper subsidy of private enterprise with public money." [In. Br. 5.] But City of West Palm Beach has no application here. In that case, the city issued bonds to finance a civic center complex, but intended to pay debt service on the bonds first from operational revenues received after leasing the facility to a private party, and second from a utility service tax. The Court held that the mandatory lease to a private party constituted an improper subsidy of private enterprise, and that the city could not validly pledge

tax revenues as a source of repayment of the bonds. Id. at 378, 380.

The Martin County Bonds involve no such subsidy of a private party nor any improper pledge of tax revenues. At most, if it were true that the Bonds would make it possible for the Medical Center to expand its other business with other revenues, that is an incidental benefit, and one that could always be said to result from the issuance of bonds. Such an incidental benefit, even if proven (which it was not in this case), would not invalidate the Bonds:

Running throughout this Court's decisions on paramount public purpose is a consistent theme. It is that there is required a paramount public purpose with only an incidental private benefit. If there is only an incidental benefit to a private party, then the bonds will be validated since the private benefits 'are not so substantial as to tarnish the public character' of the project.

Orange County Industrial Dev. Auth. v. State of Florida, 427 So. 2d 174, 179 (Fla. 1983). In addition, even if the Medical Center expands its business in another county, that business still lies within the public purpose authorized by Chapter 154.

Dr. Noble's other argument, that the proceeds of the Bonds will free up other money to be used in St. Lucie County and thereby give the Medical Center an unfair competitive advantage over other health care providers, is totally extraneous to a bond validation proceeding. Impact on competition is a matter for certificate of need proceedings, and business or economic concerns are not properly subjects of judicial review in a bond validation

proceeding. DeSha v. City of Waldo, 444 So. 2d 16, 17-18 (Fla. 1984) (question of need is policy matter for the community's governing body, not for the court); Medley, 162 So. 2d at 258 (same regarding feasibility).

The case Dr. Noble cites in support of his unfair competition argument, McCoy Restaurants, Inc. v. City of Orlando, 392 So. 2d 252 (Fla. 1980), simply illustrates a collateral issue, in that case whether the issuing authority had improperly delegated its powers to a private entity, thus invalidating their lease agreements. 392 So. 2d at 253-54. If McCoy has any relevance to this proceeding, it is to support the Authority's argument that Dr. Noble's contentions below, like the question of the validity of airport leases, were wholly collateral to the bond validation proceeding and properly rejected.

The scope of a bond validation proceeding is limited to three topics, none of which was implicated by Dr. Noble's contentions. The trial court considered and approved the Authority's authority to issue the bonds, the purpose of the bonds, and compliance with the requirements of law. That is all the circuit court is required or permitted to do. Rowe, 668 So. 2d at 198. The judgment validating the Bonds should be affirmed.

CONCLUSION

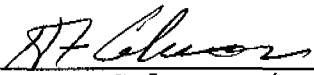
The circuit court correctly validated the Bonds, and this Court should affirm that judgment.

Respectfully submitted this 28th day of May, 1996.

FIELDSTONE LESTER & SHEAR

HOLLAND & KNIGHT

Paul A. Lester (FBN 190004)
First Union Financial Center
200 S. Biscayne Blvd.
Suite 2100
Miami, FL 33131-2104
(305) 982-1555



Hume F. Coleman (FBN 091500)
Susan L. Turner (FBN 772097)
P.O. Drawer 810
Tallahassee, FL 32302
(904) 224-7000

Attorneys for Martin County
Health Facilities Authority

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of the foregoing was furnished by United States mail to the following this 28th day of May, 1996.



Attorney

Jordan Fields
Fields & Wilkinson, P.A.
416 Cortez Ave.
Stuart, FL 34994
(Counsel for Appellant)

Robert Kilbride
Assistant State Attorney
1111 S.E. Federal Highway #218
Stuart, FL 34994

J.D. Lookadoo, Jr., M.T.
2792 Spruce Ridge Ave.
Jensen Beach, FL 34957
(Intervenor, Appellee)

TAL-85284

INDEX TO SUPPLEMENTAL APPENDIX

A 1 Circuit court's order validating the Bonds

A 2 Proof of publication

APR - 2 1996
[Signature]

IN THE CIRCUIT COURT OF THE
NINETEENTH JUDICIAL CIRCUIT
OF THE STATE OF FLORIDA
IN AND FOR MARTIN COUNTY

Case No. 96-54-CA

Judge Angelos

MARTIN COUNTY HEALTH FACILITIES
AUTHORITY, FLORIDA,)

Plaintiff,)

vs.)

THE STATE OF FLORIDA, and the)
taxpayers, property owners and)
citizens of the County of Martin,)
including non-residents owning)
property or subject to taxation,)
therein,)

Defendants.)

FINAL JUDGMENT

The above and foregoing cause having come on for final hearing on the date and at the time and place set forth in the Order to Show cause heretofore issued by this Court against the State of Florida, and the taxpayers, property owners and citizens of the County of Martin, Florida, including non-residents owning property or subject to taxation thereon, and all others whom it may concern, on the Complaint of the Martin County Health Facilities Authority, on answer of the Honorable Bruce Colton, State Attorney, and on Intervenor, James Noble, M.D.'s Objections to Bond Validation, and the Court having considered the same and heard evidence, and being fully advised in the premises, finds and adjudges:

CC: *[Signature]*
4/2/96

FIRST: That said Martin County Health Facilities Authority (the "Authority") at all times hereinafter stated was and is now duly and legally organized and operating under the provisions of the Laws and Constitution of the State of Florida.

SECOND: That authority is conferred upon the plaintiff by the Constitution and Laws of Florida and pursuant to Part III of Chapter 154, Florida Statutes, being Chapter 74-323, Laws of Florida, 1974, as amended, to issue Martin County Health Facilities Authority Hospital Revenue Bonds, Series 1996A (Martin Memorial Medical Center Project) (the "Series 1996A Bonds") and Martin County Health Facilities Authority Hospital Revenue Refunding Bonds, Series 1996B (Martin Memorial Medical Center) (the "Series 1996B Bonds") (collectively, the "Bonds"), of said Authority without an election for the purpose more particularly described in Paragraph THIRD hereof in the amount of not to exceed \$45,000,000 and to make said Bonds payable from the certain revenues, as provided in the form of the Existing Bond Indenture, as supplemented, and in the form of Existing Lease, as supplemented, which have been duly filed in this cause.

THIRD: That pursuant to the aforesaid law, the Authority did on August 31, 1995, duly adopt a resolution authorizing the issuance of Authority's Bonds in the principal amount of not to exceed \$45,000,000; provided, however that the face amount of the Bonds due at maturity, including accrued and compounded interest, may exceed \$45,000,000 in the event that all or a portion of the Bonds are issued as zero-coupon, deep discount or capital appreciation bonds, in the denomination of \$5,000 (or any integral multiple thereof, not in excess of any single maturity), maturing

no later than June 1, 2025, but callable for optional or mandatory redemption or both prior to maturity on such terms and conditions, and bearing interest from their date until paid at the rate of seven and one-half percent (7.5%) per annum or such lesser rate or rates, as shall be fixed by supplemental resolution to be adopted by said Authority prior to the issuance of said Bonds. The Series 1996A Bonds and the Series 1996B Bonds shall be dated in accordance with the Existing Bond Indenture, as supplemented, or other date or dates as may be set forth by supplemental resolution, to be adopted by the Authority. Said Bonds have been authorized for the purpose of providing funds to (i) advance refund the Hospital Revenue Bonds, Series 1990B (Martin Memorial Hospital South Project) of the Authority; (ii) finance or reimburse Martin Memorial Medical Center, Inc. for the cost of certain renovations to its health care facilities, including the obstetrics department, and equipment and other capital expenditures for such facilities (the "Project"), including interest on a portion of the Bonds during construction of the Project; (iii) finance the costs of certain reserve funds and bond insurance premiums, if the Medical Center and the Authority deem such reserves or bond insurance to be necessary; and (iv) pay costs of issuance of the Bonds, including discount thereon. A certified copy of said resolution of August 31, 1995, including the forms of the Supplemental Bond Indentures, the Second Supplemental Ground Lease and the Supplemental Leases authorized by said resolution, and of the pertinent portion of the minutes of the meeting at which said resolution was duly introduced, read by title, considered and adopted, have been duly filed in this cause.

FOURTH: That in accordance with Section 154.245, Florida Statutes, all necessary certificates of need have been obtained from the Department of Health and Rehabilitative Services for the Project and for the payment of expenses related thereto through the issuance of the Bonds and that no certificate of need from the Department of Health and Rehabilitative Services is required for the issuance of the Bonds for (i) refunding purposes; (ii) financing the cost of certain equipment or improvements the cost of which is less than the threshold amount set forth in Section 408.036, Florida Statutes, as amended, or which is otherwise exempt from such requirement; (iii) funding a reserve fund; and (iv) paying expenses related to the issuance of the Bonds, as provided in said resolution.

FIFTH: As provided in Section 3 of said resolution, said Third Supplemental Bond Indenture and Fourth Supplemental Bond Indenture (collectively, the "Supplemental Bond Indentures") in forms substantially similar to those set out as part of said resolution will be entered into by and between said Authority and First Union National Bank of Florida, Stuart, Florida (as successor trustee to First National Bank and Trust Company of the Treasure Coast, formerly known as First National Bank and Trust Company of Stuart), as Trustee (the "Bond Trustee"), which has the powers of a trust company and is authorized by law to accept and execute trusts of the character set out in the Bond Trust Indenture dated as of November 1, 1985, as supplemented and amended by the First Supplemental Bond Trust Indenture dated as of October 1, 1990, as supplemented and amended by the Second Supplemental Bond Trust Indenture dated as of November 1, 1990 (collectively, the "Existing

Bond Indenture"), between the Authority and the Bond Trustee, as supplemented. Said Supplemental Bond Indentures, together with the Existing Bond Indenture, provide for the creation of various trust funds into which the proceeds received by said Authority from the sale of said Bonds will be deposited and held in trust for application in accordance with the provisions of said Existing Bond Indenture, as supplemented by the Supplemental Bond Indentures, and from which said Bond Trustee will disburse such proceeds upon written requests for such disbursements which shall certify the proper expenditure of such proceeds.

SIXTH: That said Bonds will not directly or indirectly or contingently obligate the State of Florida or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. Neither the State of Florida nor the Authority shall be obligated to pay the same or the interest thereon except from the revenues provided therefor under said resolution, and neither the full faith and credit nor the taxing power of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal of or the interest on said Bonds.

SEVENTH: That due and proper notice to the State of Florida and to all property owners, taxpayers, citizens and all others whom it may concern having or claiming any right, title or interest in property to be affected by the issuance of the Bonds so authorized or to be affected thereby was duly published by the Clerk of this Court in a newspaper having general circulation in the County of Martin once a week for two consecutive weeks, the first publication thereof having been made at least twenty (20)

days prior to the date set for this hearing, all as required by Chapter 75, Florida Statutes, as amended, as will more fully appear from the affidavit of publisher of The Stuart News heretofore filed.

EIGHTH: That the answer of the State Attorney filed in this cause for and in behalf of the State of Florida shows no cause why the Complaint should not be granted and discloses no irregularity or illegality in the proceedings set forth in said complaint.

NINTH: That it has been established to the satisfaction of the Court (1) that the allegations and conclusions set forth in the Complaint filed in this cause are true, (2) that the proceedings for the issuance of said Bonds have been sufficiently completed for the validation thereof in this cause, and (3) that the issuance of said Bonds has been duly authorized in the manner and form permitted and provided by law, and that all proceedings preliminary to and in connection therewith are lawfully authorized and permitted by law.

TENTH: That this Court has found that all requirements of the Constitution and Laws of the State of Florida pertaining to the issuance of said Bonds and the adoption of said proceedings have been strictly followed.

ELEVENTH: As to the Intervenor, James Noble, M.D., this Court rejects the arguments of Dr. Noble and finds, based on the evidence presented, both in the form of testimony and in the form of documentary evidence, as follows:

a. Martin County Health Facilities Authority is a public body;

b. Martin County Health Facilities Authority has authority under the Constitution and law of the State of Florida to issue the proposed bonds;

c. Martin County Health Facilities Authority has the authority to apply the proceeds of the bonds for the intended purpose;

d. The purpose of the obligation is legal;

e. The proceedings authorizing the obligations were proper;

f. There has been compliance with all legally required conditions precedent to establish a prima facie case for the obligation;

g. Further, the Court finds that the matters raised by Dr. Noble are collateral issues over which this Court lacks subject matter jurisdiction in this proceeding.

TWELFTH: As to the Notice filed by J.D. Lookadoo, Jr. seeking rehearing on the show cause hearing and objecting to the validation of the bonds, such notice is legally insufficient as a matter of law because the notice raises matters wholly collateral to the validation proceedings, and therefore this Court lacks subject matter jurisdiction over such collateral matters.

NOW, THEREFORE, IT IS ORDERED AND ADJUDGED that the issuance of the Martin County Health Facilities Authority Hospital Revenue Bonds, Series 1996A (Martin Memorial Medical Center Project) and the Martin County Health Facilities Authority Hospital Revenue Refunding Bonds, Series 1996B (Martin Memorial Medical Center), of the Martin County Health Facilities Authority above described, bearing interest at the rate of seven and one-half

percent (7.5%) per annum or less, as provided by the resolution authorizing the issuance of said Bonds, a copy of which resolution has been duly filed in this cause, is for a proper, legal and public purpose, and is fully authorized by law and that said proceedings and the provisions thereof and said Bonds and each of them, when issued, sold and delivered pursuant to said proceedings, are hereby validated. The provisions made in the proceedings for the payment of said Bonds and the interest thereon, including the revenues pledged to the payment thereof, and all provisions and covenants contained in said proceedings, are hereby declared to be fully authorized and to be in full compliance with all applicable laws and are hereby expressly validated.

A statement by the Chairman and the Secretary of the Martin County Health Facilities Authority which shall appear in each of the Bonds hereby validated and which shall read as follows:

This Bond is one of an issue of Bonds which were validated and confirmed by judgment of the Circuit Court of the Nineteenth Judicial Circuit of Florida in and for Martin County rendered on March 27, 1996.

is hereby found to be in full compliance with the requirements of Section 75.11, Florida Statutes, as amended, and no further statement or certificate with respect to validation need appear in said Bonds.

DONE, ORDERED AND ADJUDGED at the Courthouse in Stuart, Martin County, Florida, this 27 day of March, 1996.

Cynthia D Angelos

Cynthia Angelos,
Circuit Judge

Copies furnished to:

Robert Kilbride, Esq.
Assistant State Attorney

Jordan Fields, Esq.

Paul Lester, Esq.
Fieldstone Lester & Shear

Mr. J.D. Lookadoo, Jr.

DOCUMENT #: CHG005 (53062-00003-8) 166973.5; DATE: 03/26/96

