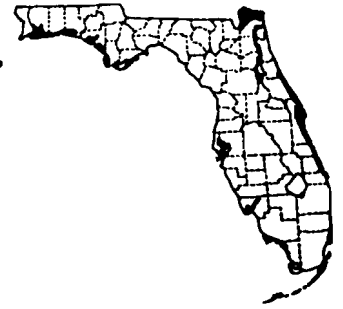




# NASSAU COUNTY

## BOARD OF COUNTY COMMISSIONERS

P.O Box 1010 - Fernandina Beach, Florida 32034



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Ex-Officio Clerk

Michael S. Mullin  
County Attorney

E.C.I. PROPERTIES, INC. or its Assignees

Re: Proposed financing by Nassau County of Specialty Retail Shopping Center of E.C.I. Properties, Inc.

Gentlemen:

Based upon recent discussions with officials of E.C.I. Properties, Inc., a Georgia Corporation duly authorized to transact business in the State of Florida, it is the understanding of the County of Nassau and officials and representatives of Nassau County, Florida, that the Corporation is currently considering the acquisition, construction and development of a specialty retail shopping center to be situated on Amelia Island in the unincorporated area of Nassau County, such shopping center to consist of businesses such as restaurants, grocery store, drug store, dry cleaners, mens's and women's apparel, gift shops, etc. and would total approximately 70,000 square feet, that the project cost will not exceed \$6,000,000.00 and will provide additional employment in the County for approximately 290 people. It is further understood by the County of Nassau that the willingness of the Issuer to issue and sell its revenue bonds for the purpose of financing the acquisition, construction and equipping of the Project is an important fact under consideration by the Corporation in determining the extent of the developmental feasibility of the Project.

The County Commission of the Issuer has determined that the Issuer's issuance of its bonds to assist the Corporation by financing such Project will serve a public purpose.

Accordingly, in order to induce the Corporation to incur expenses for the initiating of such Project and its financing, the Issuer hereby makes the following proposal:

1. The Issuer may issue its revenue bonds, in an aggregate principal amount not exceeding \$6,000,000.00 in order to obtain the necessary funds to finance the cost of the Project, pursuant to specific representations of the Corporation to be presented to the Issuer in writing and orally, to County, and said written presentation shall be placed on file in the offices of the Issuer. The bonds will be issued in such aggregate principal amount, mature at such times, bear interest at such rates and be subject to such other terms as shall be agreed upon among the Issuer, the Corporation and the purchaser or purchasers of the bonds.

2. The Issuer and the Corporation will enter into a Loan Agreement (the "Agreement") pursuant to which the Issuer will loan the proceeds of the bonds to the Corporation and the Corporation will make periodic payments directly to a bank trustee sufficient to pay in full the principal of, premium, if any, and interest on the bonds and the fees and expenses of the trustee as the same shall become due. The payments to be made by the Corporation pursuant to the Agreement shall be pledged to the payment of the principal of, interest on and redemption premium, if any, applicable to the bonds and the fees and expenses of the trustee. The payments to be made by the Corporation pursuant to the Agreement shall be fully sufficient only to pay the cost of the Project, the cost and expenses of financing the same and the expenses of the Corporation, the trustee and the Issuer related thereto.

3. The Issuer will cooperate in the prompt preparation of the Agreement and the necessary resolution for the authorization of the bonds and will promptly proceed with the validation of the bonds in the Circuit Court for Nassau County, pursuant to the provisions of Chapter 75, Florida Statutes.

4. Upon delivery of the bonds, the provisions of this proposal and the agreement resulting from its acceptance by the Corporation shall have no further effect, and in the event of any inconsistency between the terms of this proposal and the terms of the Agreement in the form in which it shall be finally approved by resolution of the Issuer, the provisions of the Agreement as so approved shall control.

5. Upon acceptance by the Corporation of this proposal, the Issuer shall keep open and outstanding this commitment and inducement to the Corporation for a period of one year from the date hereof, unless specifically authorized by a longer term by resolution of the Issuer duly adopted expressly for such purpose, after which period this proposal and agreement resulting from its acceptance by the Corporation shall expire and have no further effect. In such event, or in the event of its earlier cancellation by agreement between the Corporation and the Issuer, neither party shall have any rights against the other and not third party shall have any rights against either party except:

(a) The Issuer will transfer, convey or release to the Corporation all the Project components (and sites, if any) which shall have been acquired by or pledged to the Issuer;

(b) The Corporation will pay to the Issuer the amount of all expenses which shall have been incurred by the Issuer in connection with the Project and which were authorized by the Corporation;

(c) The Corporation will assume and be responsible for all contracts entered into by the Issuer at the request of the Corporation in connection with the Project; and

(d) The Corporation will pay the out-of-pocket expenses of officials and representatives of the Issuer and counsel for the Issuer incurred in connection with the Project and will pay reasonable legal fees for legal services related to the Project or the financing thereof.

(e) The Corporation will obtain a Project feasibility report, prepared by an independent firm, and submit the same to the Issuer prior to the completion of bond validation proceedings, which report shall show generally that the Project should be a successful venture.

6. The Issuer shall not be obligated to pay any of the bonds or the interest thereon from any funds of the Issuer derived from any source other than the Agreement, and each bond shall contain a statement to the effect upon its face. The

E.C.I. Properties, Inc.

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Issuer shall not be required to incur any expense with respect to the Project or the bonds unless requested to do so by the Corporation, in which event the Corporation hereby agrees to reimburse the full amount of such expense to the Issuer; and the Issuer may require payment to it of such amount as a prerequisite to its incurring any such expense. The Corporation, in accepting this proposal, will thereby agree to indemnify and defend the Issuer, the members of the County Commission of the Issuer and agents and employees of the Issuer and hold the Issuer, the members of the County Commission of the Issuer and its agents and employees harmless against any and all claims, losses, liabilities or damages occurring in connection with the construction or operating of the Project or otherwise, or in any way growing out of or resulting from this proposal (upon its becoming an agreement if accepted ) including, without limitation, all costs and expenses, including reasonable attorneys' fees, incurred in the enforcement of any agreement of the Corporation herein contained. This indemnity shall be superseded by a similar indemnity in the Agreement and, in the event the bonds are not delivered, this indemnity shall survive the termination of the Agreement resulting from the Corporation's acceptance of this proposal.

If this proposal shall be satisfactory to the Corporation, please have the acceptance statement which follows this proposal executed by the proper officers of the Corporation duly authorized and provide an accepted copy to the Issuer, whereupon this proposal will constitute an agreement in principle with respect to the matters herein contained.

Yours very truly,

BOARD OF COUNTY COMMISSIONERS,  
NASSAU COUNTY, FLORIDA.

By: John F. [Signature]  
Its Chairman

E.C.I. Properties, Inc.


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ACCEPTANCE

The terms and conditions contained in the foregoing proposal by the Board of County Commissioners, Nassau County, Florida, are hereby accepted by E.C.I. Properties, Inc., this 16th day of August, 1985

E.C.I. PROPERTIES, INC.,

By: \_\_\_\_\_  
President

(SEAL)   
Attest:

  
Secretary

**MICHAEL S. MULLIN**  
ATTORNEY AT LAW

MAILING ADDRESS  
POST OFFICE DRAWER 1563  
FERNANDINA BEACH, FLORIDA 32034

September 4, 1985

311 CENTRE STREET  
SUITE 211  
(904)261-2364

TO: T. J. Greeson  
FROM: Michael S. Mullin  
SUBJECT: E.C.I. Properties, Inc. letter of inducement

Dear Jerry:

Enclosed please find the original signed letter of inducement from E. C.I. Properties, Inc. for your files.