

**AMELIA ISLAND WATERWORKS, INC.**

FLAGSHIP BANK BUILDING  
1111 LINCOLN ROAD MALL  
P. O. BOX 391970  
MIAMI BEACH, FLORIDA 33139

(305) 672-0202

April 17, 1986

Mr. T. J. "Jerry" Greeson  
Ex-Officio  
Nassau County  
Board of County Commissioners  
Box 110  
Fernandina Beach, 32034

RE: Memorandum of Agreement - Industrial Development  
Revenue Bonds for Amelia Island Waterworks, Inc.

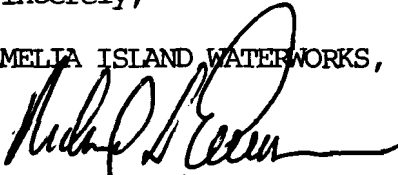
Dear Jerry:

Pursuant to your request, enclosed please find the fully executed Memorandum of Agreement.

After the agreement is filed, I would appreciate you returning two true copies to this office.

Sincerely,

AMELIA ISLAND WATERWORKS, INC.

  
Richard L. Eisenman  
Secretary

RLE/cmm  
Enclosure

cc: Mr. William Sundstrom, Esq.

## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into by and between the **BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY**, a political subdivision of the State of Florida (hereinafter "County"), and **AMELIA ISLAND WATERWORKS, INC.**, a Florida corporation (hereinafter "Company").

1. **Preliminary Statement.** Among the matters of mutual inducement which have resulted in the execution of this Memorandum of Agreement are as follows:

(a) The County is a political subdivision of the State of Florida and is empowered to enter into this Memorandum of Agreement and to provide for the issuance and sale of Industrial Development Revenue Bonds, pursuant to the provisions of Chapters 125 and 159, Fla. Stat., as amended; and is a political subdivision of a state within the meaning of Section 103(a)(1) of the Internal Revenue Code of 1954, as amended (hereinafter "Code"), and within the meaning of the applicable regulations under the Code.

(b) The Company, a corporation duly organized and existing under the laws of the State of Florida, has informed the Authority of its desire to acquire certain land, construct buildings, and purchase equipment to be used to expand its utility system through the construction of a 700,000 gallons per day (GPD) sewage treatment plant, river outfall effluent disposal system, major transmission and collection lines and appurtenant facilities for the benefit of the Company (hereinafter "Project").

(c) The Company proposes to construct the Project (the "Acquisition") within the geographic boundaries of Nassau County pursuant to this Agreement.

(d) The County and the Company expect that the Project will cost not in excess of \$5,000,000, inclusive of interest during the period of construction, underwriting discounts or commissions, legal, accounting, financing and printing expenses and all other costs.

(e) The Company has requested that the County enter into this Memorandum of Agreement for the purpose of declaring the County's intention to exercise its powers to issue Industrial Development Revenue Bonds (hereinafter "Bonds") pursuant to Chapter 159, Part II, Fla. Stat., (hereinafter "Act"), for the purpose of financing the Project.

(f) The Company has represented that it has not financed the Project, that it has not commenced the Acquisition of the Project, and that it is desirable that the Company proceed with the Acquisition immediately.

(g) This Memorandum of Agreement is entered into to induce the Company to proceed with the Acquisition of the Project and to incur costs in connection with various phases of the Project and to insure the Company, prior to the issuance of the Bonds of the County, that the County will, in accordance with and subject to the provisions of applicable Florida law and this Memorandum of Agreement, issue the Bonds to cover costs so incurred by the Company in connection with the Project, including costs incurred by the Company prior to the issuance of the Bonds; provided, however, that in no event shall the County be liable or responsible to the Company for any damages or for reimbursement of any costs referred to above, if the transactions contemplated hereunder are not consummated, unless expressly agreed to in writing by the County.

**2. Undertakings on the Part of the County.** In accordance with applicable Florida law, the County agrees as follows:

(a) That it will authorize and provide for the issuance and sale of one or more issues of Bonds in an aggregate principal amount not exceeding \$5,000,000. That it will finance the Project for the Company from proceeds of the sale of the Bonds, such loan payable by the Company in installments sufficient to pay the principal of, premium (if any), and interest and other costs due on the Bonds when and as the same may become due.

(b) That the County use the proceeds thereof, to the extent of such proceeds, as follows: (i) To pay all or any part of the cost of the issuance of the bonds; (ii) To pay all or any part of the costs incurred or paid after the date of the inducement resolution of the acquisition, construction, and equipping of a sewer system expansion, including reimbursing the Company for its costs in connection with such acquisition, construction and equipping; and, (iii) To pay any other "costs" (as defined in the Act) of the Project.

(c) The County has preliminarily determined that the Acquisition of the Project by the Company will make a significant contribution to the economic growth of the County, shall provide gainful employment and shall serve a public purpose by advancing the economic prosperity and general welfare of the County and State that the Company is financially responsible and fully capable and willing to fulfill its obligations under the proposed financing agreement, including the obligation to make installment payments on the loan for the Project financed with the proceeds of the sale of the Bonds in the amount and at the times required; the obligation to operate, repair and maintain such Project at its own expense; and, to serve the purposes of the Act and other responsibilities to be imposed under the Financing Agreement.

(d) That it will, at the proper time, after consultation with the Company, adopt such proceedings and authorize the execution of such documents as may be necessary and advisable for the authorization, sale and issuance of the Bonds and the Acquisition of the Project, all as more fully set forth in the Bond Documents and provide all necessary further assurances in connection thereto.

(e) The Bonds shall be in such aggregate principal amount, shall bear interest at such rate or rates, shall be payable at such times and places, shall be in such form and denominations, shall be sold in such manner subject to the provisions of Section 218.385 of the Florida Statutes, as amended, and at such time or times, shall have such provisions for redemption, shall be executed and shall be secured as hereafter may be requested by the Company and agreed to by the County, all on terms mutually satisfactory to the County and the Company.

**3. Undertakings on the part of the Company.** Subject to the conditions hereinafter stated, the Company agrees as follows:

(a) That it will generally arrange for, manage and carry out the Acquisition of the Project in accordance with the Agreement.

(b) That it will cooperate with the County in making arrangements for the sale and issuance of the Bonds in an aggregate principal amount not exceeding \$5,000,000.

(c) That the Bonds will be secured solely by the obligations of the Company and shall and will be payable from the revenues and proceeds derived from the Project including, but not limited to, (i) service availability charges generated by the sewer system paid to the Company in consideration for providing service to developments, residences, multi-family dwellings, or commercial establishments; and, (ii) revenues derived from rates paid on a month to month basis by users of the system. The Bonds will not constitute a debt, liability or obligation of the County, the State of Florida or any political subdivision thereof. The County shall not be obligated to pay the same nor interest, premiums (if any), or costs thereon and neither the faith and credit nor the taxing power of the County, the State of Florida or any political subdivision thereof will be pledged to the payment of the principal, premiums (if any), interest, or costs due pursuant to or under the Bonds.

(d) That contemporaneously with the delivery of the Bonds the Company will enter into such financing arrangements, indentures, guarantees, promissory notes and related agreements as shall be necessary or appropriate so that the Company will be

obligated to pay sums sufficient in the aggregate to pay the principal of, the redemption premium, if any, and interest on the Bonds when and as the same shall become due and payable and as shall be necessary or appropriate to provide credit facilities or other arrangements to protect the holders of the Bonds in the event of a default.

(e) Within 15 days of request therefor by the County, but in any event prior to enactment by the County of any ordinance or resolution for the purposes of authorizing the sale and awarding the Bonds, the Company shall provide to the County a schedule of all fees to be paid or reimbursed from the proceeds thereof.

(f) That the Company will take such further action and adopt such proceedings, and provide the necessary further assurances, as may be required to implement its undertakings hereunder.

#### **4. General Provisions.**

(a) All commitments of the County and of the Company pursuant to this Memorandum of Agreement are subject to the condition that on or before 365 days from the date the Project is first placed in service or acquired (whichever occurs last, or such other date as shall be mutually satisfactory to the County and the Company), the County and the Company shall have agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof, and mutually acceptable terms and conditions for the financing arrangements and other agreements referred to herein. Notwithstanding any other provision, express or implied, contained herein, the issuance, sale and delivery of the Bonds and the participation by the County in the Project and the financing thereof shall be subject to a determination by the County Commission, by and through a resolution or ordinance that the agreement by the County to the terms and conditions of the transactions contemplated hereunder and the issuance of Bonds are in the best interest of the County.

(b) This Agreement shall be governed by the laws of the State of Florida.

**6. Effective Dates.** This Memorandum of Agreement shall take effect upon its execution and delivery.

IN WITNESS WHEREOF, the parties hereto have entered into this Memorandum of Agreement by their officers thereunto duly authorized as of the 14th day of January, 1986.

BOARD OF COUNTY COMMISSIONERS OF  
NASSAU COUNTY, FLORIDA

By: James E. Testone  
James Testone, Chairman

[SEAL]

Attest: [Signature]

Approved by the County Attorney  
as to Form and Legal Sufficiency:

[Signature]  
Michael S. Mullin  
Nassau County Attorney

AMELIA ISLAND WATERWORKS, INC.

By: [Signature]  
Martin Zeller, President

Attest: [Signature]  
Richard Eisenman  
Secretary

UBA  
UBA