

MUNICIPAL LEASE-PURCHASE AGREEMENT

LESSOR: Liberty National Bank & Trust Company of Louisville
312 South Fourth Avenue, Suite 400
Louisville, Kentucky 40202

LESSEE: Nassau County Board of County Commissioners
P.O. Box 456
Fernandina Beach, Florida 32035

This Municipal Lease-Purchase Agreement (the "Agreement") entered into between Liberty National Bank & Trust Company of Louisville ("Lessor"), and Nassau County Board of County Commissioners ("Lessee"), a body corporate and politic duly organized and existing under the laws of the State of Florida ("State");

WITNESSETH:

WHEREAS, Lessor desires to lease the Equipment, as hereinafter defined, to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, Lessee is authorized under the Constitution and laws of the State to enter into this Agreement for the purposes set forth herein;

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

COVENANTS OF LESSEE

Lessee represents, covenants and warrants, for the benefit of Lessor and its assignees, as follows:

(a) Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State.

(b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body, corporate and politic.

(c) Lessee is authorized under the Constitution and laws of the State to enter into this Agreement and the transaction contemplated hereby, and to perform all of its obligations hereunder.

(d) Lessee has been duly authorized to execute and deliver this Agreement under the terms and provisions of the resolution of its governing body, attached hereto as Exhibit A, or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met, and procedures have occurred in order to ensure the enforceability of this Agreement, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment hereunder. Lessee shall cause to be executed an opinion of its counsel substantially in the form attached hereto as Exhibit B.

(c) During the term of this Agreement, the Equipment will be used by Lessee only for the purpose of performing one or more essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than the Lessee.

(f) During the period this Agreement is in force, Lessee will annually provide Lessor with such current financial statements, budgets, proof of appropriation for ensuing fiscal year or such other financial information relating to the decision of Lessee to continue this Agreement as may be reasonably requested by Lessor or its assignee.

(g) The Equipment will have a useful life in the hands of the Lessee that is substantially in excess of the Original Term and all Renewal Terms.

(h) The Equipment is, and during the period this Agreement is in force will remain, personal property and when subjected to use by the Lessee under this Agreement, will not be or become fixtures.

ARTICLE II

DEFINITIONS

The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Municipal Lease-Purchase Agreement, including the Exhibits attached hereto, as the same may be supplemented or amended from time to time in accordance with the terms hereof.

"Commencement Date" is the date when the term of this Agreement begins and Lessee's obligation to pay rent accrues, which date shall be the date on which the Equipment is accepted by Lessee as indicated on the Certificate of Acceptance attached hereto as Exhibit F.

"Equipment" means the property described in Exhibit D and which is the subject of this Agreement.

"Lease Term" means the Original Term and all Renewal Terms provided for in this Agreement under Section 4.01.

"Lessee" means the entity which is described in the first paragraph of this Agreement and which is leasing the Equipment from Lessor under the provisions of this Agreement.

"Lessor" means (i) Liberty National Bank & Trust Company of Louisville, acting as Lessor hereunder; (ii) any surviving resulting or transferee corporation; and (iii) except where the context requires otherwise, any assignee(s) of Lessor.

"Original Term" means the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date.

"Purchase Price" means the amount indicated with respect to any date after payment of all Rental Payments (defined below) due through such date, all as set forth in Exhibit E hereto, or Supplemental Exhibit E hereto, as the case may be.

"Renewal Terms" means the automatic renewal terms of this Agreement as provided for in Article IV of this Agreement, each having a duration of one year and a term co-extensive with the Lessee's fiscal year, except the last of such automatic renewal terms which shall end on the due date of the last Rental Payment set forth in Exhibit E to this Agreement.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to the provisions of this Agreement during the Lease Term, payable in consideration of the right of Lessee to use the Equipment during the then current portion of the Lease Term. Rental Payments shall be payable by Lessee to the Lessor or its assignee in the amounts and at the times during the Lease Term, as set forth in Exhibit E of this Agreement.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment.

ARTICLE III

LEASE OF EQUIPMENT

Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment, in accordance with the provisions of this Agreement, to have and to hold for the Lease Term.

ARTICLE IV

LEASE TERM

Section 4.01. Commencement of Lease Term. The Original Term of this Agreement shall commence on the Commencement Date as indicated in Exhibit F and shall terminate on the last day of Lessee's current fiscal year. Lessee may renew this Agreement beyond the expiration of the Original Term, or beyond the expiration of any subsequent Renewal Term, up to the number of additional fiscal years provided in Schedule E of this Agreement by appropriating sufficient funds to make scheduled Rental Payments for the ensuing fiscal year (each a "Renewal Term"). Terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in Exhibit E of this Agreement.

Section 4.02. Termination of Lease Term. The Lease Term will terminate upon the earliest of any of the following events:

- (a) The expiration of the final Renewal Term of this Agreement and the payment by Lessee of all Rental Payments authorized or required to be paid by Lessee hereunder;
- (b) The nonrenewal of this Agreement in the event of nonappropriation of funds pursuant to Section 6.06;
- (c) The exercise of Lessee of the option to purchase the Equipment before expiration of this Agreement granted under the provisions of Articles IX or XI of this Agreement; or
- (d) A default by Lessee and Lessor's election to terminate this Agreement under Article XIII.

Section 4.03. Return of Equipment on Termination. Upon expiration or earlier termination of the Original Term or any Renewal Term under any provision of this Agreement at a time when Lessee does not exercise its option to purchase the Equipment granted under the provisions of Articles IX or XI of this Agreement, Lessee hereby agrees to deliver the Equipment to Lessor packaged or otherwise prepared in a manner suitable for shipment by truck or rail common carrier at a location specified by Lessor.

ARTICLE V

ENJOYMENT OF EQUIPMENT

Lessor hereby covenants to provide Lessee during the Lease Term with quiet use and enjoyment of the Equipment, and Lessee shall during the Lease Term peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement.

Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

ARTICLE VI

RENTAL PAYMENTS

Section 6.01. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee out of its available non-ad valorem revenues and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee. Nothing contained herein shall constitute a pledge of the Lessee's general tax revenues, funds or monies.

Section 6.02. Payment of Rental Payments. During the Original Term and during each Renewal Term elected by Lessee, Lessee shall pay Rental Payments, exclusively from legally available funds, in lawful money of the United States of America to Lessor or, in the event of assignment by Lessor, to its assignee, in the amounts and on the dates set forth in Exhibit E hereto. Rental Payments shall be in consideration for Lessee's use of the Equipment during the applicable year in which such payments are due.

Section 6.03. Interest and Principal Components. A portion of each Lease Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of principal. Exhibit E hereto sets forth the interest component and the principal component of each Rental Payment during the Lease Term.

Section 6.04. Rental Payments to be Unconditional. During the Original Term and during each Renewal Term elected by Lessee, the obligations of Lessee to make payment of the Rental Payments required under this Article VI and other sections hereof and to perform and observe the covenants and agreements contained herein shall be absolute and unconditional in all events, except as expressly provided under this Agreement. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other person, Lessee agrees to pay all Rental Payments when due and shall not withhold any Rental Payments pending final resolution of such dispute, nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments when required under this Agreement. Lessee's obligation to make Rental Payments during the Original Term or the then current Renewal Term elected by Lessee shall not be abated through accident or unforeseen circumstances.

Section 6.05. Continuation of Lease Term by Lessee. Lessee intends, subject to the provisions of Section 6.06, to continue the Lease Term through the Original Term and all the Renewal Payments hereunder. Lessee reasonably believes that legally available funds from non-ad valorem tax sources in an amount sufficient to make all Rental Payments during the Original Term and each of the Renewal Terms can be obtained. Lessee further intends to do all things lawfully within its power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such payments to the extent necessary in each biannual or annual budget submitted and adopted in accordance with applicable provisions of state law, to have such portion of the budget approved, and to exhaust all available reviews and appeals in the event such portion of the budget is not approved.

Section 6.06. Termination by Nonappropriation. In the event Lessee does not appropriate sufficient funds for the payment of the Rental Payments scheduled to be paid in next occurring Renewal Term then, Lessee may terminate this Agreement at the end of the then current Original Term or Renewal Term, and Lessee shall not be obligated to make payment of the Rental Payments provided for in this Agreement beyond the end of the then current Original or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 30 days prior to the end of the then current Original or Renewal Term.

ARTICLE VII

TITLE TO EQUIPMENT

Section 7.01. Title to the Equipment. During the term of this Agreement, title to the Equipment and any and all additions, repairs, replacements or modifications shall vest in Lessee, subject to the rights of Lessor under this Agreement. In the event of default as set forth in Section 13.02 or nonappropriation as set forth in Section 6.06, Lessee agrees to surrender possession of the Equipment to Lessor. Lessee and Lessor intend for federal income tax purposes under the Internal Revenue Code of 1986, as amended, that this Agreement constitutes a financing lease or an installment sale contract rather than a true lease.

Section 7.02. Notice Filing. Lessee agrees to execute a notice filing financing statement and such additional documents in form satisfactory to Lessor to protect Lessor's interest in the Equipment from claims of other creditors of Lessee during the term of this Agreement.

ARTICLE VIII

MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

Section 8.01. Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term Lessee will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Lessor shall have no responsibility in any of these matters, or for the making of improvements or additions to the Equipment.

Section 8.02. Taxes, Other Governmental Charges and Utility Charges. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purposes of Lessee and, therefore, that the equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), Lessee will pay during the Lease Term, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and any equipment or other property acquired by Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as have accrued during the time this Agreement is in effect.

Section 8.03. Provisions Regarding Insurance. At its own expense, Lessee shall cause casualty, public liability and property damage insurance to be carried and maintained, or shall demonstrate to the satisfaction of Lessor that adequate self-insurance is provided with respect to the Equipment, sufficient to protect the Full Insurable Value (as that term is hereinafter defined) of the Equipment, and to protect Lessor from liability in all events. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies which cover not only the Equipment but other properties. If Lessee insures similar properties by self-insurance, Lessee will insure the Equipment by means of an adequate insurance fund.

The "Full Insurable Value" as used herein shall mean the full replacement value of the Equipment.

Any insurance policy pursuant to this Section 8.03 shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. The Net Proceeds (as defined in Section 9.01) of the insurance required in this Section 8.03 shall be applied as provided in Article IX hereof. Each insurance policy provided for in this

Section 10.01. ~~Disclaimer of Warranties.~~ LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or Lessee's use of any item or products or services provided for in this Agreement.

DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF EQUIPMENT

ARTICLE X

Section 9.02. ~~Inadequacy of Net Proceeds.~~ If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01 hereof, Lessee shall either (a) complete the work and pay any cost in excess of the amount of Net Proceeds, and Lessee agrees that if by reason of any such insufficiency of the Net Proceeds, Lessee shall make any payments pursuant to the provisions of this Section 9.02, Lessee shall not be entitled to any reimbursement therefore from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article VI hereof or (b) if Lessee is not in default hereunder, Lessee shall pay to Lessor the amount of the then applicable Purchase Price, and, upon such payment, the Lease Term shall terminate and Lessor's interest in the Equipment shall terminate as provided in Article XI of this Agreement. The amount of the Net Proceeds in excess of the then applicable Purchase Price, if any, may be retained by Lessee.

For purposes of Section 8.03 and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorney's fees) incurred in the collection of such claims or award.

Section 9.01. ~~Damage, Destruction and Condemnation.~~ Unless Lessee shall have exercised its option to purchase the Equipment by making payment of the Purchase Price as provided herein, if prior to the termination of the Lease Term (a) the Equipment or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty or (b) title to, or the temporary use of the Equipment or any part thereof or the estate of Lessee or Lessor in the Equipment or any part thereof shall be taken under the exercise of the power eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration, modification or improvement of the Equipment. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

DAMAGE, DESTRUCTION AND CONDEMNATION: USE OF NET PROCEEDS

ARTICLE IX

Section 8.04. ~~Advances.~~ In the event Lessee shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Equipment in good repair and operating condition, Lessor may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums necessary and provide for payment thereof; and all amounts so advanced therefore by Lessor shall become additional rent for the then current Original Term or Renewal Term, which amounts, together with interest thereon at the rate of 12% per annum, Lessee agrees to pay.

Section 8.03 shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation.

Section 10.02. **Vendor's Warranties.** Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Equipment, which Lessor may have against the Vendor of the Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment, and not against the Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

Section 10.03. **Use of the Equipment.** Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all laws of the jurisdictions in which its operations involving any item of Equipment may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Equipment; provided, however, that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the estate of Lessor in and to any of the items of the Equipment or its interest or rights under this Agreement.

ARTICLE XI

OPTION TO PURCHASE

At the request of Lessee, Lessor's interest in the Equipment and additional Rental Payments will be terminated and this Agreement shall terminate:

(a) At the end of the final Renewal Term, upon payment by Lessee of all Rental Payments scheduled as set forth in Exhibit E to this Agreement; or

(b) if the Lease Term is terminated pursuant to Article IX of this Agreement, in the event of total damage, destruction or condemnation of the Equipment; or

(c) any time when Lessee is not on such date in default under this Agreement, upon payment by Lessee of the then applicable Purchase Price to Lessor.

Upon the occurrence of any of such events, Lessor shall deliver a Bill of Sale of its remaining interest in the Equipment to Lessee "AS IS - WHERE IS" without additional cost or payment by Lessee.

ARTICLE XII

ASSIGNMENT, SUBLEASING, INDEMNIFICATION MORTGAGING AND SELLING

Section 12.01. **Assignment by Lessor.** This Agreement, and the obligations of Lessee to make payments hereunder, may be assigned and reassigned in whole or in part to one or more assignees and subassignees by Lessor at any time subsequent to its execution, without the necessity of obtaining the consent of Lessee; provided, however, that no such assignment or reassignment shall be effective unless and until (i) Lessee shall have received notice of the assignment or reassignment disclosing the name and address of the assignee or subassignee, and (ii) in the event that such assignment is made to a bank or trust company as trustee for holders of certificates representing interest in this Agreement, such bank or trust company agrees to maintain, or cause to be maintained, a book-entry system by which a record of names and addresses of such holders as of any particular time is kept and agrees, upon request of the Lessee, to furnish such information to Lessee. Upon

receipt of notice of assignment, Lessee agrees to reflect in a book entry assignee designation in such notice of assignment, and to make all payments to the assignee designated in the notice of assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that Lessee may from time to time have against Lessor, or the assignee. Lessee agrees to execute all documents which may be reasonably requested by Lessor or its assignee to protect their interests in this Agreement.

Section 12.02. No Sale, Assignment or Subleasing by Lessee. This Agreement and the interest of Lessee in the equipment may not be sold, assigned or encumbered by Lessee without the prior written consent of Lessor or assignee.

Section 12.03. Release and Indemnification Covenants. To the extent permitted by the laws and Constitution of the State, Lessee shall protect, hold harmless and indemnify Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into this Agreement, the ownership of any item of the equipment, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the equipment or any accident in connection with the operation, use, condition, possession, storage or return of any item of the equipment resulting in damage to property or injury to or death of any person. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the lease term for any reason. Lessee agrees not to withhold or abate any portion of the payments required pursuant to this Agreement by reason of any defects, malfunctions, breakdowns or infirmities of the equipment.

Lessee acknowledges that Lessor's yield with respect to this Agreement is dependent upon the full amount of each lease rental payment being excluded from Lessor's income pursuant to Section 103(a) of the United States Internal Revenue Code of 1986 as amended (the "Code"). Accordingly, if at any time, as a result of a determination that Lessee has breached a representation or covenant contained herein, or as a result of any change in the Code, any payment of either the interest component or the principal component of any lease rental payment is, in the opinion of counsel for the Lessor, subject to or affected by any income, preference, excess profits, minimum or other federal tax, Lessee shall pay, as additional interest, an amount which is necessary to provide to Lessor the same net income as Lessor would have received but for such event. Lessor's calculations of such additional interest shall be binding upon Lessee in the absence of manifest error.

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES

Section 13.01. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein; and

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 13.01 (a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied as given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to the expiration, provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of this Section 13.01 are subject to (i) the provisions of Section 6.06 hereof with respect to nonappropriation; and (ii) if by reason of force majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article VI hereof, Lessee shall not be

deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other employee relations disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the state wherein Lessee is located or any of their departments, agencies or officials, or any civil or military authority, insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

Section 13.02. Remedies on Default. Whenever any event of default referred to in Section 13.01 hereof shall have happened and be continuing, Lessee agrees to return the equipment to Lessor and Lessor shall have the right at its sole option without any further demand or notice, to take either one or both of the following remedial steps:

(a) Accept surrender from Lessee of the equipment for sale or release by Lessor in a commercially reasonable manner. All proceeds of such sale or re-letting shall inure to Lessor, provided, however, if such proceeds after deduction of Lessor's reasonable costs and expenses, including attorneys' fees, incurred to recover possession, restore or clean-up and sell or release the equipment, exceed an amount equal to the sum of the past due but unpaid Rental Payments and an amount equal to the then applicable purchase price, Lessor shall remit the amount of such excess to Lessee; or

(b) Institute an action in a court of competent jurisdiction to recover Lessor's compensatory damages resulting from Lessee's default.

Lessor agrees that it shall not have a right to seek any remedy of specific performance nor shall Lessor have any "self-help" right to take possession of the equipment absent Lessee's voluntary surrender thereof.

Section 13.03. Waiver. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver hereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business.

Section 14.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 14.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14.04. Amendments. The terms of the Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; nor shall any such amendment that affects the rights of Lessor's assignee be effective without such assignee's consent.

Section 14.05. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.06. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

Section 14.07. Captions. The captions or headings in this Agreement are for convenience only and do not define, limit or describe the scope or intent of any provisions of sections of this Agreement.

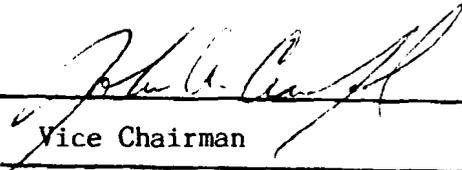
Section 14.08. Entire Agreement. This Agreement and the executed Exhibits attached hereto constitute the entire agreement between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations or warranties, express or implied, not specified herein, regarding this Agreement or the equipment leased hereunder. Any terms and conditions of any purchase order or other document (with the exception of Supplements) submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement. Lessee by the signature below of its authorized representative acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, Lessor has executed this Agreement in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers, and Lessee has caused this Agreement to be executed in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers. All of the above occurred as of the date first written below; this Agreement shall be binding on Lessee beginning on the date it is accepted and executed by Lessor.

LESSOR: Liberty National Bank & Trust Company of Louisville

Attest:	Execute:
By: _____	By: _____
Title: _____	Title: _____
	Date: _____

LESSEE: Nassau County Board of County Commissioners

Attest:	Execute:
By:  _____	By:  _____
Title: Ex-Officio Clerk	Title: Vice Chairman
	Date: 9-27-93

**EXHIBIT A
RESOLUTION 93-161
RESOLUTION OF GOVERNING BODY
EXTRACT OF MINUTES**

LESSEE: Nassau County Board of County Commissioners

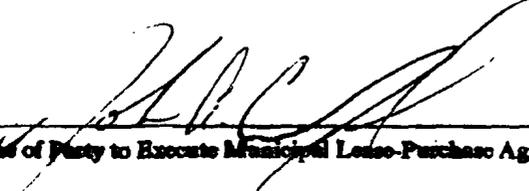
DATE OF AGREEMENT:

At a duly called meeting of the governing body of Lessee (as identified in the Agreement) held on the 27 day of September 1993 the following resolution was introduced and adopted.

RESOLVED, whereas the governing body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment described in the Municipal Lease-Purchase Agreement presented to this meeting; and

WHEREAS, the governing body of Lessee has taken the necessary steps, including any legal bidding requirements, under applicable law to arrange for the acquisition of such equipment.

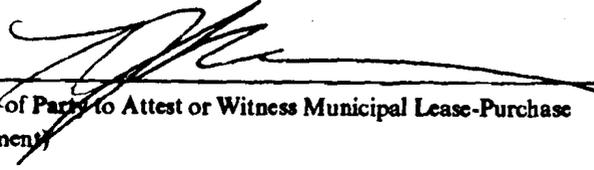
BE IT RESOLVED, by the governing body of Lessee that the terms of said Municipal Lease-Purchase Agreement are in the best interests of the Lessee for the acquisition of such equipment, and the governing body of Lessee designates and confirms the following persons to execute and deliver, and to witness (or attest), respectively, the Municipal Lease-Purchase Agreement and any related documents necessary to the consummation of the transactions contemplated by the Municipal Lease-Purchase Agreement with Liberty National Bank & Trust Company of Louisville.



(Name of Party to Execute Municipal Lease-Purchase Agreement)

Vice Chairman

(Title)



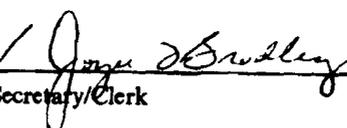
(Name of Party to Attest or Witness Municipal Lease-Purchase Agreement)

Ex-Officio Clerk

(Title)

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the above and foregoing Municipal Lease-Purchase Agreement is the same as presented at said meeting of the governing body of Lessee.

✓
(SEAL)

✓ 

Secretary/Clerk

✓ 9-27-93

Date

EXHIBIT B**OPINION OF LESSEE'S COUNSEL****LESSEE: Nassau County Board of County Commissioners****DATE OF AGREEMENT:**

**Liberty National Bank & Trust Company of Louisville
312 South Fourth Avenue, Suite 400
Louisville, Kentucky 40202**

Gentlemen:

As counsel for Nassau County Board of County Commissioners, ("Lessee"), I have examined duly executed originals of the Municipal Lease-Purchase Agreement (the "Agreement") dated _____, 19___, between Lessee and Liberty National Bank & Trust Company of Louisville ("Lessor"), and the proceedings taken by Lessee to authorize and execute the Agreement. Based upon the examination and upon such other examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a public body corporate and politic, legally existing under the laws of the State of Florida.
2. The Agreement has been duly authorized, executed and delivered by Lessee, pursuant to Constitutional, statutory and/or home rule provisions which authorize this transaction and Resolution No. _____, attached as Exhibit A to the Agreement.
3. The Agreement is a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms. In the event the Lessor obtains a judgment against Lessee in money damages, as a result of an event of default under the Agreement, Lessee will be obligated to pay such judgment.
4. Applicable public bidding requirements have been complied with.
5. To the best of my knowledge, no litigation is pending or threatened in any court or other tribunal, state or federal, which questions or affects the validity of the resolution or the Agreement.
6. The signatures of the officers of Nassau County Board of County Commissioners which appear on the Agreement are true and genuine; I know said officers and know them to hold the offices set forth below their names.
7. The Equipment leased pursuant to the Agreement constitutes personal property and when subjected to use by Lessee constitutes personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.
8. The Municipality is a political subdivision of the State of Florida within the meaning of Section 103 of the United States Internal Revenue Code and the related regulations and rulings. By virtue of such authority the portion of payments identified as deferred interest charges to maturity, upon receipt, will not be includable in federal gross income under statutes, regulations, court decisions and rulings existing on the date of this opinion and consequently, will be exempt from present federal income taxes and income tax of the State of Florida.
9. The leasing of the Equipment pursuant to the Agreement is exempt from all sales and use taxes against either the Lessor or the Lessee during the term of the Lease and the Equipment will be exempt from any state and local personal property or other ad valorem taxes during the term of the Lease.

Sincerely;

EXHIBIT C

CERTIFICATE AS TO ARBITRAGE

I, the undersigned officer of the Nassau County Board of County Commissioners (the "Lessee"), being the person duly charged, with others, with responsibility for issuing the Lessee's obligations in the form of that certain agreement entitled "Municipal Lease-Purchase Agreement" with referenced Exhibits attached thereto (the "Agreement") dated _____, 19____, and issued said date, HEREBY CERTIFY that:

1. The Agreement was issued by the Lessee under and pursuant to law to finance the acquisition of the certain Equipment described therein.

2. Pursuant to the Agreement, the Lessee is entitled to receive said Equipment in consideration for the obligation of the Lessee under the Agreement. Said Equipment will be used in furtherance of the public purposes of the Lessee. The Lessee does not intend to sell said Equipment or said Agreement or to otherwise dispose of said Equipment during the term of the Agreement. The Lessee will not receive any monies, funds, or other "proceeds" as a result of the Agreement.

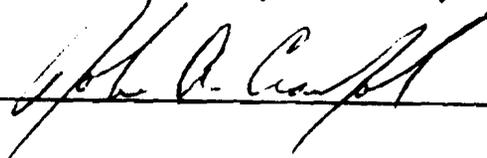
3. The Lessee expects to make payments under the Agreement from its general funds on the basis of annual appropriations in the amounts equal to the required payments under the Agreement. The remaining general funds of the Lessee are not reasonably expected to be used to make such payments and no other monies are pledged to the Agreement or reasonably expected to be used to pay principal and interest on the Agreement.

4. The Lessee has not received notice that its Certificate may not be relied upon with respect to its own issues nor has it been advised that any adverse action by the Commissioner of Internal Revenue is contemplated.

To the best of my knowledge, information and belief the expectations herein expressed are reasonable and there are no facts, estimates or circumstances other than those expressed herein that would materially affect the expectations herein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand this 27 day of Sept., 19 93

LESSEE: Nassau County Board of County Commissioners

By: 

Title: Vice Chairman

EXHIBIT D

DESCRIPTION OF EQUIPMENT

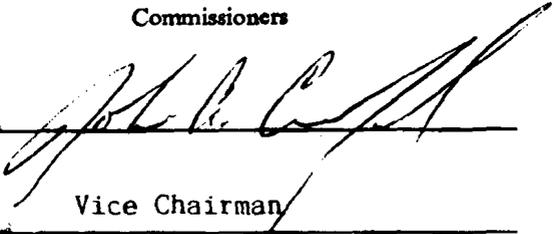
The Equipment which is the subject of the attached Municipal Lease-Purchase Agreement is as follows:

(1) 1993 Pierce Fire / Pumper Truck SN:

together with all additions, accessions and replacements thereto.

Lessee hereby certifies that the description of the personal property set forth above constitutes an accurate description of the "Equipment", as defined in the attached Municipal Lease-Purchase Agreement.

LESSEE: Nassau County Board of County
Commissioners

By:  _____

Title: Vice Chairman _____

Date: 9-27-93 _____

LOCATION OF THE EQUIPMENT:

Nassau County Fire Dept.

Highway 1A

Fernandina Beach, FL 32034

EXHIBIT E

SCHEDULE OF PAYMENTS

(EXPRESSED IN DOLLARS)

NASSAU COUNTY BOARD
OF COUNTY COMMISSIONERS
FIRE TRUCK - 1993

ROSS LEASE \$ 163,130.00

EASE AMOUNT \$ 149,967.00

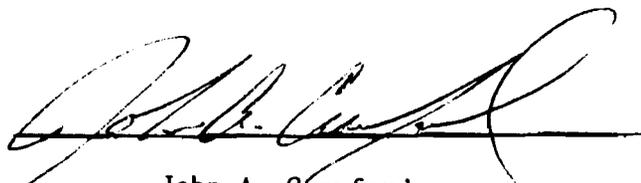
PAY NO.	PAYMENT DATE	PAYMENT	PRINCIPAL	INTEREST	PURCHASE PRICE
0		50000.00	50000.00	0.00	103465.85
1		37710.00	31262.73	6447.27	71108.92
2		37710.00	33278.99	4431.01	36665.16
3		37710.00	35425.28	2284.72	0.00
TOTALS:		163,130.00	149,967.00	13,163.00	

LESSEE:

BY:

TITLE:

DATE:



 John A. Crawford

 Vice Chairman

 9-27-93

EXHIBIT F

ACCEPTANCE CERTIFICATE

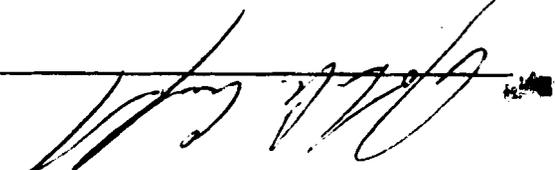
The undersigned, as Lessee under the Municipal Lease-Purchase Agreement (the "Agreement") dated _____, 19____, with Liberty National Bank & Trust Company of Louisville ("Lessor"), acknowledges receipt in good condition of all of the Equipment described in the Agreement and in Exhibit D thereto this 27th day of Sept., 1993, and certifies that Lessor has fully and satisfactorily performed all of its covenants and obligations required under the Agreement.

Lessee confirms that the Commencement Date of the Agreement is _____ and it will commence payments in accordance with Article VI of the Agreement.

The undersigned officer of the Lessee hereby reaffirms on behalf of the Lessee in all respects the covenants of the Lessee set forth in Article I of the Agreement and the representations in the certificate as to Arbitrage attached as Exhibit C to the Agreement, and represents that, to the best of his or her knowledge, information and belief, the expectations therein expressed were reasonable as of the Commencement Date, and that there were, and are as of the date on which they were made, and are reasonable as of the Commencement Date, no facts, estimates or circumstances other than those expressed therein that would materially affect the expectations expressed therein.

LESSEE: Nassau County Board of County

Commissioners



Title: Vice Chairman

EXHIBIT G

ESSENTIAL USE/SOURCE OF FUNDS LETTER

TO: Liberty National Bank & Trust Company of Louisville

RE: Municipal Lease-Purchase Agreement No. _____

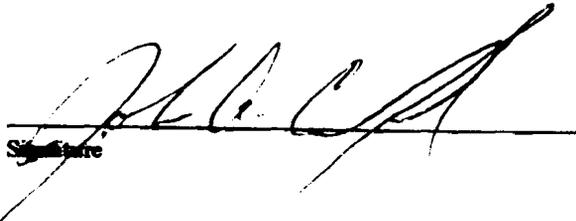
Gentlemen:

Reference is made to certain Municipal Lease-Purchase Agreement Number _____, dated _____, between Liberty National Bank & Trust Company of Louisville, and Nassau County Board of County Commissioners, leasing the personal property described in Exhibit D to such Lease. This confirms and affirms that such equipment is essential to the functions of the undersigned or to the service we provide to our citizens.

Further, we have an immediate need for, and expect to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future. The Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, the Equipment was selected by us to be used as follows:

Fire protection for county residents.

Sincerely,



Signature

9-27-93

Date

INSURANCE COVERAGE REQUIREMENT

TO: Liberty National Bank & Trust Company of Louisville
312 South Fourth Avenue, Suite 400
Louisville, Kentucky 40202

FR: Nassau County Board of County Commissioners
P.O. Box 456
Fernandina Beach, Florida 32035

RE: INSURANCE COVERAGE REQUIREMENTS (Check one)

- 1. In accordance with Section 8.03 of the Agreement, we have instructed the insurance agent named below (please fill in name, address and telephone number)

NAME: John T. Ferreira Insurance, Inc.

ADDRESS: P.O. Box 777, 500 Centre Street, Fernandina Bch., FL 32034

TELEPHONE: (904) 261-5571 to issue:

- a. All Risk Physical Damage Insurance on the leased equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming "Liberty National Bank & Trust Company of Louisville" as Loss Payee.

Coverage Required: Full Replacement Value

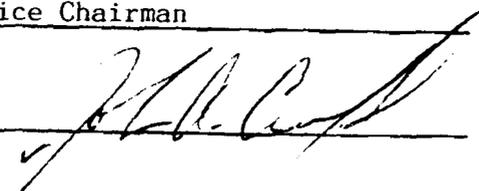
- b. Public Liability Insurance evidenced by a Certificate of Insurance naming Liberty National Bank & Trust Company of Louisville" as an Additional Insured.

Minimum Coverage Required:
 \$500,000.00 per person
 \$500,000.00 aggregate bodily injury liability
 \$100,000.00 property damage liability

- 2. Pursuant to Section 8.03 of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form together with a copy of the statute authorizing this form of insurance.

- 3. Proof of insurance coverage will be provided to Liberty National Bank & Trust Company of Louisville prior to the time that the equipment is delivered to us.

Title: Vice Chairman

By: 

Dated: 9-27-93

Form **8038-G**
(Rev. October 1989)

Information Return for Tax-Exempt Governmental Obligations

Department of the Treasury
Internal Revenue Service

Under Section 149(e)
See separate instructions

(Use Form 8038-GC if the issue price is under \$100,000)

OMB No. 15-15 0720
Expires 5-31-92

Part I Reporting Authority Check box if Amended Return

1 Issuer's name Nassau County Board of County Commissioners 2 Issuer's employer identification number 59 186 3042

3 Number and street P.O. Box 456 4 Report number G19 -

5 City or town, state, and ZIP code Fernandina Beach, Florida 32035 6 Date of issue

7 Name of Issue Lease Purchase 8 CUSIP Number

Part II Type of Issue (check box(es) that applies and enter the Issue Price)

9 Check box if obligations are tax or other revenue anticipation bonds Issue price

10 Check box if obligations are in the form of a lease or installment sale \$

11 Education

12 Health and hospital

13 Transportation

14 Public safety

15 Environment (including sewage bonds)

16 Housing

17 Utilities

18 Other. Describe (see instructions) ▶

Part III Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity		%					
20 Entire issue					years	%	%

Part IV Uses of Original Proceeds of Bond Issues (Including underwriters' discount)

21 Proceeds used for accrued interest	21	
22 Issue price of entire issue (enter line 20c)	22	
23 Proceeds used for bond issuance costs (including underwriters' discount)	23	
24 Proceeds used for credit enhancement	24	
25 Proceeds allocated to reasonably required reserve or replacement fund	25	
26 Proceeds used to refund prior issues	26	
27 Total (add lines 23, 24, 25, and 26)	27	
28 Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)	28	

Part V Description of Refunded Bonds (complete this part only for refunding bonds)

29 Enter the remaining weighted average maturity of the bonds to be refunded ▶ _____ years

30 Enter the last date on which the refunded bonds will be called ▶ _____

31 Enter the date(s) the refunded bonds were issued ▶ _____

Part VI Miscellaneous

32 Enter the amount of the state volume cap allocated to the issue ▶ _____

33 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception) ▶ _____

34 Pooled financings:

a Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units ▶ _____

b Check box if this issue is a loan made from the proceeds of another tax-exempt issue and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please Sign Here

[Signature]
Signature of officer

9-27-93
Date

John A. Crawford, Vice Chairman
Type or print name and title

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form 8038-G (Rev 10-89)

[The next page is 3497-3.]

STATE OF FLORIDA
UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — FORM UCC-1 REV. 1981
THIS FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

ONLY ONE NAME PER BOX	DEBTOR (Last Name First if a Person)		THIS SPACE FOR USE OF FILING OFFICER Date, Time, Number & Filing Office		
	1A	NAME	Nassau County Board of County Commissioners		
		MAILING ADDRESS	P.O. BOX 456		
		CITY	Fernandina Bch	STATE	FL 32035
		MULTIPLE DEBTOR (IF ANY)	(Last Name First if a Person)		
		NAME			
	1B	MAILING ADDRESS			
		CITY		STATE	
		MULTIPLE DEBTOR (IF ANY)	(Last Name First if a Person)		
		NAME			
1C	MAILING ADDRESS				
	CITY		STATE		
	SECURED PARTY (Last Name First if a Person)				
2A	NAME	Liberty National Bank & Trust Co			
	MAILING ADDRESS	312 S. Fourth Ave., Suite 400			
	CITY		STATE		
	MULTIPLE SECURED PARTY (IF ANY)	(Last Name First if a Person)			
	NAME				
2B	MAILING ADDRESS				
	CITY		STATE		
	ASSIGNEE OF SECURED PARTY (IF ANY)	(Last Name First if a Person)			
	NAME				
3	MAILING ADDRESS				
	CITY		STATE		

AUDIT	UPDATE
-------	--------

VALIDATION INFORMATION

4. This FINANCING STATEMENT covers the following types or items of property (include description of real property on which located and owner of record when required). If more space is required, attach additional sheets 8 1/2" x 11".

(1) Pierce Fire/Pumper Truck SN:

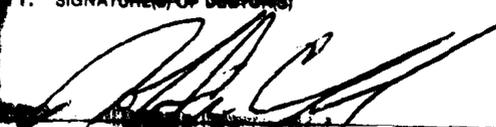
5. Proceeds of collateral are covered as provided in Sections 879.203 and 879.306, F.S.	7. No. of additional Sheets presented:
6. Filed with:	
8. (Check <input type="checkbox"/>) <input type="checkbox"/> All documentary stamp taxes due and payable or to become due and payable pursuant to Section 201.22, F.S., have been paid. <input type="checkbox"/> Florida Documentary Stamp Tax is not required.	
9. This statement is filed without the debtor's signature to perfect a security interest in collateral (Check <input type="checkbox"/> if so) <input type="checkbox"/> already subject to a security interest in another jurisdiction when it was brought into this state or debtor's location changed to this state. <input type="checkbox"/> which is proceeds of the original collateral described above in which a security interest was perfected. <input type="checkbox"/> as to which the filing has lapsed. <input type="checkbox"/> acquired after a change of name, identity, or corporate structure of the <input type="checkbox"/> debtor or <input type="checkbox"/> secured party.	10. (Check <input type="checkbox"/> if so) <input type="checkbox"/> Debtor is a transmitting utility <input type="checkbox"/> Products of collateral are covered

NAME AND ADDRESS OF PREPARER

13. Return copy to:

NAME	Liberty National Leasing Company
ADDRESS	P.O. Box 32500

11. SIGNATURE(S) OF DEBTOR(S)



12. SIGNATURE(S) OF SECURED PARTY(IES) OR ASSIGNEE