

SunTrust Bank, North Florida, N.A.  
Post Office Box 2340  
Jacksonville, FL 32203-2340  
Tel (904) 632-2561  
Fax (904) 632-2874

Bruce L. Barefoot  
Senior Vice President

# SUNTRUST

*May 6, 1998*

*Mr. J. M. Oxley, Jr.  
Clerk of Courts of Nassau County  
191 Nassau Place  
Yulee, FL 32097*

*Dear Chip:*

*SunTrust Bank, North Florida, N.A. is pleased to present the enclosed commitment to provide financing for the new courthouse, administration complex and renovation to the existing courthouse. We greatly appreciate the opportunity to provide this financing commitment and look forward to working with you to close the transaction on or before May 30, 1998. Please acknowledge acceptance of this commitment by signing and returning the enclosed copy to my attention.*

*Best regards,*



*Enclosures*

*cc: Mitch Owens, W. R. Hough w/enclosures*

*Nassau County  
Commitment  
Terms and Conditions  
May 6, 1998*

- Borrower/  
Issuer:* *Nassau County*
- Bank:* *SunTrust Bank, North Florida, N.A.*
- Amount:*
- 1) *A Line of Credit for up to \$20,000,000 convertible within one year into a*
  - 2) *Direct Pay Letter of Credit (the "Letter of Credit") for up to \$20,000,000 (plus interest for 50 days at 13%) to provide credit enhancement and liquidity support for Variable Rate Demand Bonds (the "Bonds") to be issued by Nassau County and marketed by SunTrust Equitable Securities.*
- Maturity:*
- 1) *Up to two years from closing.*
  - 2a) *Letter of Credit - up to three years from closing, with a provision to automatically renew the Letter of Credit, at the sole discretion of the Bank, on an annual basis commencing at the first anniversary of date of issuance.*
  - 2b) *Bonds - shall carry a nominal maturity of twenty years. The Letter of Credit Agreement shall provide for redemptions which would result in an issue average life of 12.4 years.*
- Purpose:* *To provide interim (bond anticipation note) and permanent financing for the construction of a new courthouse and administrative complex and renovation to existing courthouse.*
- Security:*
- 1) *Long term Bond takeout financing.*
  - 1&2) *Covenant to budget and appropriate legally available non-ad valorem revenues.*

**Rate/Fees:** 1) *Non bank qualified tax exempt floating rate of 55% of Bank's Prime Rate. As of 5/6/98, this rate was 4.675%.*

2) *37.5 basis points annual fee  
\$100 draw fee for each request*

**Closing Date:** *On or before May 30,1998.*

**Acceptance:** *This commitment to Nassau County will expire on May 19, 1998. Please acknowledge acceptance by signing and returning the attached copy of this commitment to the Bank on or before the expiration date.*

**Conditions:** A) *Legal documentation will be prepared in form and substance satisfactory to the Borrower/Issuer and Bank. Such documentation will be reviewed on behalf of the Bank by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the review shall not exceed for the:*

1) *Line of Credit - \$7,000,*

2) *Letter of Credit, Investment Banking, Remarketing and Bond Trustee - \$20,000.*

B) *A written opinion from the Borrower/Issuer's counsel, in form and substance acceptable to the Bank and its counsel, that all documents are valid, binding and enforceable in accordance with their terms, that the execution and delivery of said documents has been duly authorized, and addresses such other matters as the Bank and its counsel deem appropriate, including but not limited to the certification by the Board of County Commissioners that the projects to be financed hereunder are for "essential purposes" and of vital importance to the Borrower.*

C) *The tax exempt interest rate quoted herein takes into consideration a corporate tax rate of 35%. In the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust the interest rate in order to maintain the same after tax yield.*

D) *With respect to the Line of Credit, the interest rate quoted herein assumes the obligation is a "non bank qualified tax exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended. If such borrowings hereunder are not tax exempt obligations, then the rate shall be adjusted to provide the Bank with the same after tax yield.*

- E) The Bank shall have the right to adjust the tax exempt interest rate in order to maintain the same after tax yield if any amendments to existing law are enacted which would adversely affect the Bank's after tax yield including any "determination of taxability" as will be defined in the loan documentation.*
- F) The Borrower/Issuer may secure additional debt on senior lien legally available non-ad valorem revenues if such prior two years average revenues provide a minimum annual debt service coverage ratio of at least 2.0 to 1.0 on the Borrower/Issuer's existing and contemplated senior secured legally available non-ad valorem revenue debt.*
- G) The Borrower/Issuer may secure additional debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower/Issuer's existing and contemplated covenant to budget and appropriate secured legally available non-ad valorem debt.*
- H) Debt Service Reserve:*
- 1) Line of Credit - none,*
  - 2) Letter of Credit - The Issuer agrees to establish a debt service reserve (to be maintained at the Bank) equal to the lesser of one year debt service or 10% of issue principal.*
- I) The Borrower/Issuer agrees to maintain minimum unreserved fund balances (cash and investments) at least equal to 25% of the prior three fiscal years average governmental fund expenditures (excludes enterprise funds).*
- J) In the event of a failed remarketing of the Bonds, the loan rate shall be a rate to be negotiated.*
- K) Borrower/Issuer shall submit annual audited financial statements within 150 days of fiscal year end, annual budgets within 30 days of adoption and any other information the Bank may reasonably request.*

L) Borrower/Issuer shall complete the attached survey regarding Year 2000 Compliance on or before closing, attesting to the Borrower/Issuer's evaluation, plan/budget development and approval and progress/implementation of all action required to resolve identified computer/software programing issues related to the inability to recognize the Year 2000.

Ratings:

Current long-term and/or short-term rating(s) assigned by Moody's and/or Standard & Poors:

<u>SunTrust</u>	<u>Moody's</u>	<u>S&amp;P</u>
Short -term	P-1	A-1+
Long-term	AA3	AA-
VRDB*	VMIG 1	

\* The Variable Rate Demand Bonds will be rated only on the long-term rating of the Bank.

Agreed to and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 1998

Nassau County

by: \_\_\_\_\_

Authorized Signer

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\$20,000,000  
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## SOURCES AND USES OF FUNDS

Nassau County, Florida  
\$20,000,000  
Variable Rate Demand Bonds, Series 1998

Principal Amortization Structured Assuming Level D.S. at 6.0%

Dated Date 05/01/1998  
Delivery Date 05/01/1998

Sources of Funds	Par Amount	Plus: Accrued	Less: Discount	Total
<b>Bond Proceeds:</b>				
Term Bond due 2018	20,000,000.00			20,000,000.00
	20,000,000.00	0.00	0.00	20,000,000.00
<b>Uses of Funds</b>				
<b>Project Fund Deposits:</b>				
Project Fund (Gross Funded)	19,777,000.00			19,777,000.00
<b>Delivery Date Expenses:</b>				
Cost of Issuance	100,000.00			100,000.00
Underwriter's Discount	120,000.00			120,000.00
Annual Trustee Fee	3,000.00			3,000.00
	223,000.00			223,000.00
	20,000,000.00	0.00	0.00	20,000,000.00

## BOND SUMMARY STATISTICS

Nassau County, Florida

\$20,000,000

Variable Rate Demand Bonds, Series 1998

Principal Amortization Structured Assuming Level D.S. at 6.0%

Dated Date	05/01/1998
Delivery Date	05/01/1998
Last Maturity	05/01/2018
Arbitrage Yield	6.386058%
True Interest Cost (TIC)	6.073273%
Net Interest Cost (NIC)	6.048656%
All-In TIC	6.668280%
Average Coupon	6.000242%
Average Life (years)	12.393
Duration of Issue (years)	8.275
Par Amount	20,000,000.00
Bond Proceeds	20,000,000.00
Total Interest	14,872,499.98
Net Interest	14,992,499.98
Total Debt Service	34,872,499.98
Maximum Annual Debt Service	1,745,900.00
Average Annual Debt Service	1,743,625.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	99.400000

Bond Component	Par Value	Price	Average Coupon	Average Life
Term Bond due 2018	20,000,000.00	100.000	6.000%	12.393
	20,000,000.00			12.393

	TIC	All-In TIC	Arbitrage Yield
Par Value	20,000,000.00	20,000,000.00	20,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-120,000.00	-120,000.00	
- Cost of Issuance Expense		-100,000.00	
- Other Amounts		-3,000.00	
Target Value	19,880,000.00	19,777,000.00	20,000,000.00
Target Date	05/01/1998	05/01/1998	05/01/1998
Yield	6.073273%	6.668280%	6.386058%



BOND DEBT SBRVICE

Nassau County, Florida

\$20,000,000

Variable Rate Demand Bonds, Series 1998

Principal Amortization Structured Assuming Level D.S. at 6.0%

Period	Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
05/01/1999	545,000	1,200,000.02	6.000%	1,745,000.02	1,745,000.02	19,455,000	19,455,000
05/01/2000	575,000	1,169,711.69	6.000%	1,744,711.69	1,744,711.69	18,880,000	18,880,000
05/01/2001	615,000	1,130,459.61	6.000%	1,745,459.61	1,745,459.61	18,265,000	18,265,000
05/01/2002	650,000	1,095,900.00	6.000%	1,745,900.00	1,745,900.00	17,615,000	17,615,000
05/01/2003	685,000	1,056,899.99	6.000%	1,741,899.99	1,741,899.99	16,930,000	16,930,000
05/01/2004	725,000	1,017,898.64	6.000%	1,742,898.64	1,742,898.64	16,205,000	16,205,000
05/01/2005	775,000	970,291.21	6.000%	1,745,291.21	1,745,291.21	15,430,000	15,430,000
05/01/2006	815,000	925,800.00	6.000%	1,740,800.00	1,740,800.00	14,615,000	14,615,000
05/01/2007	865,000	876,900.00	6.000%	1,741,900.00	1,741,900.00	13,750,000	13,750,000
05/01/2008	915,000	826,704.45	6.000%	1,741,704.45	1,741,704.45	12,835,000	12,835,000
05/01/2009	975,000	768,508.95	6.000%	1,743,508.95	1,743,508.95	11,860,000	11,860,000
05/01/2010	1,030,000	711,599.99	6.000%	1,741,599.99	1,741,599.99	10,830,000	10,830,000
05/01/2011	1,095,000	649,799.98	6.000%	1,744,799.98	1,744,799.98	9,735,000	9,735,000
05/01/2012	1,160,000	585,306.75	6.000%	1,745,306.75	1,745,306.75	8,575,000	8,575,000
05/01/2013	1,230,000	513,437.03	6.000%	1,743,437.03	1,743,437.03	7,345,000	7,345,000
05/01/2014	1,305,000	440,700.04	6.000%	1,745,700.04	1,745,700.04	6,040,000	6,040,000
05/01/2015	1,380,000	362,400.01	6.000%	1,742,400.01	1,742,400.01	4,660,000	4,660,000
05/01/2016	1,465,000	280,177.66	6.000%	1,745,177.66	1,745,177.66	3,195,000	3,195,000
05/01/2017	1,550,000	191,303.95	6.000%	1,741,303.95	1,741,303.95	1,645,000	1,645,000
05/01/2018	1,645,000	98,700.01	6.000%	1,743,700.01	1,743,700.01		
	20,000,000	14,872,499.98		34,872,499.98			

NET DEBT SERVICE

Nassau County, Florida  
 Variable Rate Demand Bonds, Series 1998  
 \$20,000,000

Principal Amortization Structured Assuming Level D.S. at 6.0%

Ending Period	Total Debt Service	Quarterly LOC Fee (37.5 b.p. per annum)	Annual Trustee Fee	Annual Marketing Fee (12.5 b.p.)	Net Debt Service
05/01/1999	1,745,000.02	82,433.85	3,000	16,666.67	1,847,100.54
05/01/2000	1,744,711.69	74,093.83	3,000	24,545.83	1,846,351.35
05/01/2001	1,745,459.61	71,886.14	3,000	23,839.58	1,844,185.33
05/01/2002	1,745,900.00	69,527.32	3,000	23,087.50	1,841,514.82
05/01/2003	1,741,899.99	67,034.86	3,000	22,289.58	1,834,224.43
05/01/2004	1,742,898.64	64,407.24	3,000	21,447.92	1,831,753.80
05/01/2005	1,745,291.21	61,623.77	3,000	20,558.33	1,830,473.31
05/01/2006	1,740,800.00	58,652.55	3,000	19,610.42	1,822,062.97
05/01/2007	1,741,900.00	55,525.49	3,000	18,608.33	1,819,033.82
05/01/2008	1,741,704.45	52,207.54	3,000	17,547.92	1,814,459.91
05/01/2009	1,743,508.95	48,695.59	3,000	16,425.00	1,811,629.54
05/01/2010	1,741,599.99	44,956.16	3,000	15,231.25	1,804,787.40
05/01/2011	1,744,799.98	41,003.61	3,000	13,966.67	1,802,770.26
05/01/2012	1,745,306.75	36,802.90	3,000	12,625.00	1,797,734.65
05/01/2013	1,743,437.03	32,352.47	3,000	11,202.08	1,789,991.58
05/01/2014	1,745,700.04	27,633.26	3,000	9,693.75	1,786,027.05
05/01/2015	1,742,400.01	22,627.71	3,000	8,093.75	1,776,121.47
05/01/2016	1,745,177.66	17,332.71	3,000	6,400.00	1,771,910.37
05/01/2017	1,741,303.95	11,713.19	3,000	4,604.17	1,760,621.31
05/01/2018	1,743,700.01	5,766.06	3,000	2,702.08	1,755,168.15
05/01/2019				685.42	685.42
	34,872,499.98	946,276.25	60,000	309,831.25	36,188,607.48

**Year 2000 Questionnaire**

Client: \_\_\_\_\_  
 Bank Name: \_\_\_\_\_  
 Relationship Manager: \_\_\_\_\_  
 Relationship Manager should discuss with the client each of the following questions. If necessary, please comment in the space provided or attach additional information to this questionnaire.

1.	Has the company developed a comprehensive plan for Year 2000 compliance?				
2.	Is someone in the company specifically responsible for managing the company's Year 2000 plan? <i>Individual's title:</i>				
3.	Has Executive Management approved the company's Year 2000 plan?				
4.	Has the company completely inventoried its software, hardware and telecommunications equipment?				
5.	Has the company identified all equipment with date sensitive operating controls or calendar functions such as manufacturing equipment, security systems, elevators, HVAC, etc.?				
6.	Has the company identified and budgeted sufficient resources of people, software and hardware to accomplish its Year 2000 upgrades? <i>Estimate of associated cost:</i>				
7.	Does the company's Year 2000 plan include leap year (2/29/2000) testing?				
8.	Has the company's Year 2000 plan been reviewed by the company's outside auditors?				
9.	Has the company discussed potential losses from Year 2000 problems with insurers to determine coverage of any losses?				
0.	Is the company free from any ongoing or long term contracts that could subject the company to liability if the company failed to perform as a result of a Year 2000 compliance failure?				
1.	Will the company have contingency plans for critical systems in place by 12/31/98?				
2.	Does the company's plan call for remediation and preliminary testing of critical systems to be largely completed by 12/31/98?				
3.	Has the company verified that all significant "vendor licensed" software will be Year 2000 compliant?				
4.	Has the company verified Year 2000 compliance of outside data processing companies and established a testing time frame?				
5.	If the company provides any software, systems or equipment that are used by third parties, will these be Year 2000 compliant?				
6.	Can the company answer "No" to the following question, "Would the failure of any key customer or supplier be critical to your operation?"				
7.	If the answer to question #16 causes concern, has the company discussed the Year 2000 issue with the key customer or supplier?				

Comments (attach additional sheet if necessary):

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SUNTRUST**

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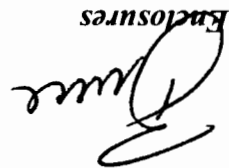
May 15, 1998

Mr. J. M. Oxley, Jr.  
Clerk of Courts of Nassau County  
191 Nassau Place  
Yulee, FL 32097

Dear Chip:

SunTrust Bank, North Florida, N.A. is pleased to present the enclosed revised commitment to provide financing for the new courthouse, administration complex and renovation to the existing courthouse. We have extended the commitment expiration date to June 2, 1998 and look forward to working with you to close the transaction on or before June 15, 1998. Please acknowledge acceptance of this commitment by signing and returning the enclosed copy to my attention.

Best regards,



Enclosures

cc: Mitch Owens, W. R. Hough w/enclosures

**Nassau County  
Revised Commitment (Marked Copy)  
Terms and Conditions  
May 15, 1998**

**Borrower/  
Issuer:**

Nassau County

**Bank:**

SunTrust Bank, North Florida, N.A.

**Amount:**

1) A Line of Credit for up to \$20,000,000 convertible within one year into a

2) Direct Pay Letter of Credit (the "Letter of Credit") for up to \$20,000,000 (plus interest for 50 days at 13%) to provide credit enhancement and liquidity support for Variable Rate Demand Bonds (the "Bonds") to be issued by Nassau County and marketed by SunTrust Equitable Securities.

**Maturity:**

1) Up to two years from closing.

2a) Letter of Credit - up to three years from closing, with a provision to automatically renew the Letter of Credit, at the sole discretion of the Bank, on an annual basis commencing at the first anniversary of the date of issuance.

2b) Bonds - shall carry a nominal maturity of twenty years. The Letter of Credit Agreement shall provide for redemptions which would result in an issue average life of 12.4 years.

**Purpose:**

To provide interim (bond anticipation note) and permanent financing for the construction of a new courthouse and administrative complex and renovation to existing courthouse.

**Security:**

1) Long term Bond takeout financing.

1&2) Covenant to budget and appropriate legally available non-ad valorem revenues.

D) With respect to the Line of Credit, the interest rate quoted herein assumes the obligation is a "non bank qualified tax exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended. If such borrowings hereunder are not tax exempt obligations, then the rate shall be adjusted to provide the Bank with the same after tax yield.

C) The tax exempt interest rate quoted herein takes into consideration a corporate tax rate of 35%. In the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust the interest rate in order to maintain the same after tax yield.

B) A written opinion from the Borrower/Issuer's counsel, in form and substance acceptable to the Bank and its counsel, that all documents are valid, binding and enforceable in accordance with their terms, that the execution and delivery of said documents has been duly authorized, and addresses such other matters as the Bank and its counsel deem appropriate, including but not limited to the certification by the Board of County Commissioners that the projects to be financed hereunder are for "essential purposes" and of vital importance to the Borrower.

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Conditions:

This commitment to Nassau County will expire on June 2, 1998. Please acknowledge acceptance by signing and returning the attached copy of this commitment to the Bank on or before the expiration date.

Acceptance:

On or before June 15, 1998.

Closing Date:

2) 37.5 basis points annual fee  
 \$100 draw fee for each request

1) Non bank qualified tax exempt floating rate of 55% of Bank's Prime Rate. As of 5/6/98, this rate was 4.675%.

Rate/Fees:

F) The Bank shall have the right to adjust the tax exempt interest rate in order to maintain the same after tax yield if any amendments to existing law are enacted which would adversely affect the Bank's after tax yield including any "determination of taxability" as will be defined in the loan documentation.

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Authorized Signer

\* The Variable Rate Demand Bonds will be rated only on the long-term rating of the Bank.

SunTrust	Moody's	S&P
Short-term	P-1	A-1+
Long-term	A-3	A-
VRDB*	VMIG 1	

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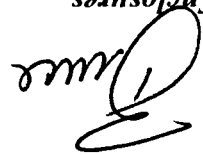
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D) With respect to the Line of Credit, the interest rate quoted herein assumes the obligation is a "non bank qualified tax exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended. If such borrowings hereunder are not tax exempt obligations, then the rate shall be adjusted to provide the Bank with the same after tax yield.

C) The tax exempt interest rate quoted herein takes into consideration a corporate tax rate of 35%. In the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust the interest rate in order to maintain the same after tax yield.

B) A written opinion from the Borrower/Issuer's counsel, in form and substance acceptable to the Bank and its counsel, that all documents are valid, binding and enforceable in accordance with their terms, that the execution and delivery of said documents has been duly authorized, and addresses such other matters as the Bank and its counsel deem appropriate, including but not limited to the certification by the Board of County Commissioners that the projects to be financed hereunder are for "essential purposes" and of vital importance to the Borrower.

1) Line of Credit - \$7,000,  
 2) Letter of Credit, Investment Banking, Remarketing and Bond Trustee - \$20,000.

A) Legal documentation will be prepared in form and substance satisfactory to the Borrower/Issuer and Bank. Such documentation will be reviewed on behalf of the Bank by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the review shall not exceed for the:

Conditions:

This commitment to Nassau County will expire on June 2, 1998. Please acknowledge acceptance by signing and returning the attached copy of this commitment to the Bank on or before the expiration date.

Acceptance:

On or before June 15, 1998.

Closing Date:

2) 37.5 basis points annual fee  
 \$100 draw fee for each request

1) Non bank qualified tax exempt floating rate of 55% of Bank's Prime Rate. As of 5/6/98, this rate was 4.675%.

Rate/Fees:

E) The Bank shall have the right to adjust the tax exempt interest rate in order to maintain the same after tax yield if any amendments to existing law are enacted which would adversely affect the Bank's after tax yield including any "determination of taxability" as will be defined in the loan documentation.

F) The Borrower/Issuer may secure additional debt on senior lien legally available non-ad valorem revenues if such prior two years average revenues provide a minimum annual debt service coverage ratio of at least 2.0 to 1.0 on the Borrower/Issuer's existing contemplated senior secured legally available non-ad valorem revenue debt.

G) The Borrower/Issuer may secure additional debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower/Issuer's existing and contemplated covenant to budget and appropriate secured legally available non-ad valorem debt.

H) Debt Service Reserve:

1) Line of Credit - none,

2) Letter of Credit - The Issuer agrees to establish a debt service reserve (to be maintained at the Bank) equal to the lesser of one year debt service or 10% of issue principal.

I) The Borrower/Issuer agrees to maintain minimum unreserved fund balances (cash and investments) at least equal to 25% of the prior three fiscal years average governmental fund expenditures (excludes enterprise funds).

J) In the event of a failed remarketing of the Bonds, the loan rate shall be a rate to be negotiated.

K) Borrower/Issuer shall submit annual audited financial statements within 150 days of fiscal year end, annual budgets within 30 days of adoption and any other information the Bank may reasonably request.

Agreed to and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 1998

Nassau County

by: \_\_\_\_\_

Authorized Signer

\* The Variable Rate Demand Bonds will be rated only on the long-term rating of the Bank.

SunTrust	Moody's	S&P
Short-term	P-1	A-1+
Long-term	A43	AA-
VRDB*	VMIG 1	

Ratings: Current long-term and/or short-term rating(s) assigned by Moody's and/or Standard & Poors:

L) Borrower/Issuer shall complete the attached survey regarding Year 2000 Compliance on or before closing, attesting to the Borrower/Issuer's evaluation, plan/budget development and approval and progress/implementation of all action required to resolve identified computer/software programming issues related to the inability to recognize the Year 2000.

SunTrust Bank, North Florida, N.A.  
Post Office Box 2340  
Jacksonville, FL 32203-2340  
Tel (904) 632-2561  
Fax (904) 632-2874

Bruce L. Barefoot  
Senior Vice President

**SUNTRUST**

July 14, 1998

Mr. J. M. Oxley, Jr.  
Clerk of Courts of Nassau County  
191 Nassau Place  
Yulee, FL 32097

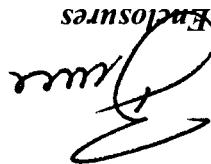
Dear Chip:

SunTrust Bank, North Florida, N.A. is pleased to present the enclosed commitment extension to provide financing for the new jail, courthouse, administration complex and renovation to the existing courthouse. We have extended the commitment expiration date to July 15, 1998 and look forward to working with you to close the transaction on or before July 31, 1998. Please acknowledge acceptance of this commitment by signing and returning the enclosed copy to my attention.

Let's both of us connect with Mitch to see where the documentation for the Line of Credit stands. It shouldn't be difficult to close by the end of the month. Finally, we also should think about the positive investment arbitrage available to the County by borrowing the full amount of the line as a way to reduce, albeit modestly, the overall cost of these projects. Mitch and I have discussed this point and its time to give you an analysis. I'll be sure to mention this to him when we chat.

Talk to you soon.

Best regards,



Enclosures

cc: Mitch Owens, W. R. Hough w/enclosures

**Nassau County  
Extension of Commitment  
Terms and Conditions  
July 14, 1998**

**Borrower/  
Issuer:**

Nassau County

**Bank:**

SunTrust Bank, North Florida, N.A.

**Amount:**

1) A Line of Credit for up to \$20,000,000 convertible within one year into a

**Maturity:**

2) Direct Pay Letter of Credit (the "Letter of Credit") for up to \$20,000,000 (plus interest for 50 days at 13%) to provide credit enhancement and liquidity support for Variable Rate Demand Bonds (the "Bonds") to be issued by Nassau County and marketed by SunTrust Equitable Securities.

1) Up to two years from closing.

2a) Letter of Credit - up to three years from closing, with a provision to automatically renew the Letter of Credit, at the sole discretion of the Bank, on an annual basis commencing at the first anniversary of date of issuance.

2b) Bonds - shall carry a nominal maturity of twenty years. The Letter of Credit Agreement shall provide for redemptions which would result in an issue average life of 12.4 years.

**Purpose:**

To provide interim (bond anticipation note) and permanent financing for the construction of a new jail, courthouse, administrative complex and renovation to existing courthouse.

**Security:**

1) Long term Bond takeout financing.

1&2) Covenant to budget and appropriate legally available non-ad valorem revenues.

D) With respect to the Line of Credit, the interest rate quoted herein assumes the obligation is a "non bank qualified tax exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended. If such borrowings hereunder are not tax exempt obligations, then the rate shall be adjusted to provide the Bank with the same after tax yield.

C) The tax exempt interest rate quoted herein takes into consideration a corporate tax rate of 35%. In the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust the interest rate in order to maintain the same after tax yield.

B) A written opinion from the Borrower/Issuer's counsel, in form and substance acceptable to the Bank and its counsel, that all documents are valid, binding and enforceable in accordance with their terms, that the execution and delivery of said documents has been duly authorized, and addresses such other matters as the Bank and its counsel deem appropriate, including but not limited to the certification by the Board of County Commissioners that the projects to be financed hereunder are for "essential purposes" and of vital importance to the Borrower.

1) Line of Credit - \$7,000,  
2) Letter of Credit, Investment Banking, Remarketing and Bond Trustee - \$20,000.

A) Legal documentation will be prepared in form and substance satisfactory to the Borrower/Issuer and Bank. Such documentation will be reviewed on behalf of the Bank by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the review shall not exceed for the:

Conditions:

This commitment to Nassau County will expire on July 15, 1998. Please acknowledge acceptance by signing and returning the attached copy of this commitment to the Bank on or before the expiration date.

Acceptance:

On or before July 31, 1998.

Closing Date:

2) 37.5 basis points annual fee  
\$100 draw fee for each request

1) Non bank qualified tax exempt floating rate of 55% of Bank's Prime Rate. As of 6/5/98, this rate was 4.675%.

Rate/Fees:



E) The Bank shall have the right to adjust the tax exempt interest rate in order to maintain the same after tax yield if any amendments to existing law are enacted which would adversely affect the Bank's after tax yield including any "determination of taxability" as will be defined in the loan documentation.

F) The Borrower/Issuer may secure additional debt on senior lien legally available non-ad valorem revenues if such prior two years average revenues provide a minimum annual debt service coverage ratio of at least 2.0 to 1.0 on the Borrower/Issuer's existing and contemplated senior secured legally available non-ad valorem revenue debt.

G) The Borrower/Issuer may secure additional debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower/Issuer's existing and contemplated covenant to budget and appropriate secured legally available non-ad valorem debt.

H) Debt Service Reserve:  
1) Line of Credit - none,  
2) Letter of Credit - The Issuer agrees to establish a debt service reserve (to be maintained at the Bank) equal to the lesser of one year debt service or 10% of issue principal.

I) The Borrower/Issuer agrees to maintain minimum unreserved fund balances (cash and investments) at least equal to 25% of the prior three fiscal years average governmental fund expenditures (excludes enterprise funds).

J) In the event of a failed remarketing of the Bonds, the loan rate shall be a rate to be negotiated.

K) Borrower/Issuer shall submit annual audited financial statements within 150 days of fiscal year end, annual budgets within 30 days of adoption and any other information the Bank may reasonably request.

Approved us to form by the  
 Nassau County Attorney  
 \_\_\_\_\_  
 Michael S. Mullin

Attest:  
 \_\_\_\_\_  
 J.M. "Chip" Oxley, Jr.  
 Its: Ex-Officio Clerk

Agreed to and accepted this 15th day of July, 1998  
 Board of County Commissioners  
 Nassau County, Florida  
 \_\_\_\_\_  
 Chris Kirkland  
 Its: Chairman

Submitted this 14th day of July, 1998  
 SunTrust Bank, North Florida, N.A.  
 \_\_\_\_\_  
 Bruce L. Barefoot  
 Senior Vice President

\* The Variable Rate Demand Bonds will be rated only on the log-term rating of the Bank.

SunTrust	Moody's	S&P
Short-term	P-1	A-1+
Long-term	A-3	AA-
VRDB*	VMIG 1	

Ratings: Current long-term and/or short-term rating(s) assigned by Moody's and/or Standard & Poors:

1) Borrower/Issuer shall complete the attached survey regarding Year 2000 Compliance on or before closing, attesting to the Borrower/Issuer's evaluation, plan/budget development and approval and progress/implementation of all action required to resolve identified computer/software programming issues related to the inability to recognize the Year 2000.

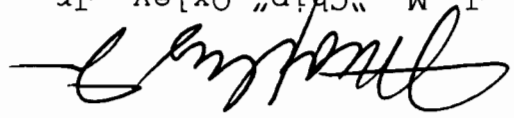
(904) 225-2610 Board Room; 321-5703, 879-1029, (800) 958-3496

Enclosure

Jmg

Ex-Officio Clerk

J. M. "Chip" Oxley, Jr.



Sincerely,

forward to working with you.

We appreciate your assistance in this matter and look

of County Commissioners.

Enclosed is an original, fully executed commitment extension to provide financing for the new jail, courthouse, administration complex and renovation to the existing courthouse, as approved by the Nassau County Board of County Commissioners.

Dear Bruce:

Mr. Bruce L. Barefoot  
Senior Vice President  
SunTrust Bank, North Florida  
Post Office Box 2340  
Jacksonville, FL 32203-2340

July 20, 1998

WALTER D. GOSETT  
County Coordinator

MICHAEL S. MULLIN  
County Attorney

JOSEPH M. "Chip" OXLEY, JR.  
Ex-Officio Clerk

Dist. No. 1 Fernandina Beach  
Dist. No. 2 Fernandina Beach  
Dist. No. 3 Yulee  
Dist. No. 4 Hilliard  
Dist. No. 5 Callahan

Nick Deonas  
John A. Crawford  
Pete Cooper  
Chris Kirkland  
Marianne Marshall

**NASSAU COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
P.O. Box 1010  
Fernandina Beach, Florida 32035-1010



Nassau County  
Extension of Commitment  
Terms and Conditions  
July 31, 1998

Borrower/  
Issuer:

Nassau County

Bank:

SunTrust Bank, North Florida, N.A.

Amount:

1) A Line of Credit for up to \$20,000,000 convertible within one year into a

Maturity:

2) Direct Pay Letter of Credit (the "Letter of Credit") for up to \$20,000,000 (plus interest for 50 days at 13%) to provide credit enhancement and liquidity support for Variable Rate Demand Bonds (the "Bonds") to be issued by Nassau County and marketed by SunTrust Equitable Securities.

1) Up to two years from closing.

2a) Letter of Credit - up to three years from closing, with a provision to automatically renew the Letter of Credit, at the sole discretion of the Bank, on an annual basis commencing at the first anniversary of the date of issuance.

2b) Bonds - shall carry a nominal maturity of twenty years. The Letter of Credit Agreement shall provide for redemptions which would result in an issue average life of 12.4 years.

Purpose:

To provide interim (bond anticipation note) and permanent financing for the construction of a new jail, courthouse, administrative complex and renovation to existing courthouse.

Security:

1) Long term Bond takeout financing.

1&2) Covenant to budget and appropriate legally available non-ad valorem revenues.

D) With respect to the Line of Credit, the interest rate quoted herein assumes the obligation is a "non bank qualified tax exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended. If such borrowings hereunder are not tax exempt obligations, then the rate shall be adjusted to provide the Bank with the same after tax yield.

C) The tax exempt interest rate quoted herein takes into consideration a corporate tax rate of 35%. In the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust the interest rate in order to maintain the same after tax yield.

B) A written opinion from the Borrower/Issuer's counsel, in form and substance acceptable to the Bank and its counsel, that all documents are valid, binding and enforceable in accordance with their terms, that the execution and delivery of said documents has been duly authorized, and addresses such other matters as the Bank and its counsel deem appropriate, including but not limited to the certification by the Board of County Commissioners that the projects to be financed hereunder are for "essential purposes" and of vital importance to the Borrower.

1) Line of Credit - \$7,000,  
 2) Letter of Credit, Investment Banking, Remarketing and Bond Trustee - \$20,000.

A) Legal documentation will be prepared in form and substance satisfactory to the Borrower/Issuer and Bank. Such documentation will be reviewed on behalf of the Bank by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the review shall not exceed for the:

This commitment to Nassau County will expire on August 17, 1998. Please acknowledge acceptance by signing and returning the attached copy of this commitment to the Bank on or before the expiration date.

Closing Date: On or before August 17, 1998.

2) 37.5 basis points annual fee  
 \$100 draw fee for each request

Rate/Fees: 1) Non bank qualified tax exempt floating rate of 55% of Bank's Prime Rate. As of 7/31/98, this rate was 4.675%.

E) The Bank shall have the right to adjust the tax exempt interest rate in order to maintain the same after tax yield if any amendments to existing law are enacted which would adversely affect the Bank's after tax yield including any "determination of taxability" as will be defined in the loan documentation.

F) The Borrower/Issuer may secure additional debt on senior lien legally available non-ad valorem revenues if such prior two years average revenues provide a minimum annual debt service coverage ratio of at least 2.0 to 1.0 on the Borrower/Issuer's existing and contemplated senior secured legally available non-ad valorem revenue debt.

G) The Borrower/Issuer may secure additional debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower/Issuer's existing and contemplated covenant to budget and appropriate secured legally available non-ad valorem debt.

H) Debt Service Reserve:

1) Line of Credit - none,

2) Letter of Credit - The Issuer agrees to establish a debt service reserve (to be maintained at the Bank) equal to the lesser of one year debt service or 10% of issue principal.

I) The Borrower/Issuer agrees to maintain minimum unreserved fund balances (cash and investments) at least equal to 25% of the prior three fiscal years average governmental fund expenditures (excludes enterprise funds).

J) In the event of a failed remarketing of the Bonds, the loan rate shall be a rate to be negotiated.

K) Borrower/Issuer shall submit annual audited financial statements within 150 days of fiscal year end, annual budgets within 30 days of adoption and any other information the Bank may reasonably request.

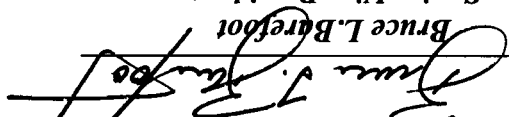
1) Borrower/Issuer shall complete the attached survey regarding Year 2000 Compliance on or before closing, attesting to the Borrower/Issuer's evaluation, plan/budget development and approval and progress/implementation of all action required to resolve identified computer/software programming issues related to the inability to recognize the Year 2000.

Ratings: Current long-term and/or short-term rating(s) assigned by Moody's and/or Standard & Poors:

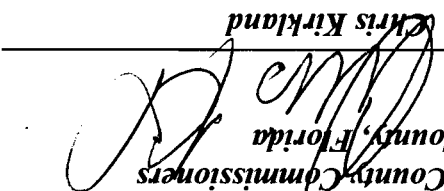
SunTrust	Moody's	S&P
Short-term	P-1	A-1+
Long-term	A43	AA-
VRDB*	VMIG 1	

\* The Variable Rate Demand Bonds will be rated only on the long-term rating of the Bank.

Submitted this 31st day of July, 1998  
SunTrust Bank, North Florida, N.A.

By:   
Bruce L. Barefoot  
Senior Vice President

Agreed to and accepted this 7<sup>th</sup> day of August, 1998

Board of County Commissioners  
Nassau County, Florida  
By:   
Chris Kirkland  
Its: Chairman

Attest:   
J.M. "Chip" Oxley, Jr.  
Its: Ex-Officio Clerk

Approved as to form by the  
Nassau County Attorney:  
  
Michael S. Mullin

**SUNTRUST**

SunTrust Bank, North Florida, N.A.  
Post Office Box 2340  
Jacksonville, FL 32203-2340  
Tel (904) 632-2561  
Fax (904) 632-2874

Bruce L. Barefoot  
Senior Vice President

July 31, 1998

Mr. J. M. Oxley, Jr.  
Clerk of Courts of Nassau County  
191 Nassau Place  
Yulee, FL 32097

Dear Chip:

SunTrust Bank, North Florida, N.A. is pleased to present the enclosed third extension to our commitment to provide financing for the new jail, courthouse, administration complex and renovation to the existing courthouse. We have extended the commitment expiration date to August 17, 1998 and look forward to working with you to close the transaction on or before that date. I talked with Mitch today and he indicated another two weeks would be needed to prepare necessary documents to close the line of credit. Please acknowledge acceptance of this commitment extension by signing and returning the enclosed copy to my attention.

Best regards,



Enclosures

cc: Mitch Owens, W. R. Hough w/enclosures





**NASSAU COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
 P.O. Box 1010  
 Fernandina Beach, Florida 32035-1010

Nick Deonas  
 John A. Crawford  
 Pete Cooper  
 Chris Kirkland  
 Marianne Marshall  
 Dist. No. 1 Fernandina Beach  
 Dist. No. 2 Fernandina Beach  
 Dist. No. 3 Yulee  
 Dist. No. 4 Hilliard  
 Dist. No. 5 Callahan

August 7, 1998

JOSEPH M. "Chip" OXLEY, JR.  
 Ex-Officio Clerk  
 MICHAEL S. MULLIN  
 County Attorney  
 WALTER D. GOSSSETT  
 County Coordinator

Mr. Bruce Barefoot  
 SunTrust Bank, North Florida, N.A.  
 Post Office Box 2340  
 Jacksonville, FL 32203-2340

Dear Bruce:

Enclosed please find your copy of the fully executed third extension to the commitment for financing of the new jail, courthouse, administrative building and renovation to the existing courthouse.

Thank you for your assistance in this matter.

Sincerely yours,

J. M. "Chip" Oxley, Jr.  
 Ex-Officio Clerk

JMO:jb

CC: Mitch Owens (w/enc.)

(904) 225-2610 Board Room; 321-5703, 879-1029, (800) 958-3496

An Affirmative Action / Equal Opportunity Employer

SunTrust Bank, North Florida, N.A.  
Post Office Box 2340  
Jacksonville, FL 32203-2340  
Tel (904) 632-2561  
Fax (904) 632-2974

Bruce L. Barefoot  
Senior Vice President

**SUNTRUST**

August 27, 1998


Mr. J. M. Oxley, Jr.  
Clerk of Courts of Nassau County  
191 Nassau Place  
Yulee, FL 32097

Dear Chip:

SunTrust Bank, North Florida, N.A. is pleased to present the enclosed extension to our commitment to provide financing for the new jail, courthouse, administration complex and renovation to the existing courthouse. We have extended the commitment expiration date to September 30, 1998 and look forward to working with you to close the transaction on or before that date. I support your concern about moving forward on this line of credit now that the parcel assembly for the Rayonier land purchase is changing. Hopefully, the County can finalize the revised purchase in orderly fashion and we can move forward on the best financing strategy. In any case, we understand how these things happen and are pleased to support the County with this extension. Please acknowledge acceptance of this commitment extension by signing and returning the enclosed copy to my attention by September 15, 1998.

Good hunting and talk with you soon.

Best regards,



Enclosures  
cc: Mitch Owens w/enclosures

**Nassau County  
Extension of Commitment  
Terms and Conditions  
August 27, 1998**

**Borrower/  
Issuer:**

Nassau County

**Bank:**

SunTrust Bank, North Florida, N.A.

**Amount:**

1) A Line of Credit for up to \$20,000,000 convertible within one year into a

2) Direct Pay Letter of Credit (the "Letter of Credit") for up to \$20,000,000 (plus interest for 50 days at 13%) to provide credit enhancement and liquidity support for Variable Rate Demand Bonds (the "Bonds") to be issued by Nassau County and marketed by SunTrust Equitable Securities.

**Maturity:**

1) Up to two years from closing.  
2a) Letter of Credit - up to three years from closing, with a provision to automatically renew the Letter of Credit, at the sole discretion of the Bank, on an annual basis commencing at the first anniversary of date of issuance.

2b) Bonds - shall carry a nominal maturity of twenty years. The Letter of Credit Agreement shall provide for redemptions which would result in an issue average life of 12.4 years.

**Purpose:**

To provide interim (bond anticipation note) and permanent financing for the construction of a new jail, courthouse, administrative complex and renovation to existing courthouse.

**Security:**

1) Long term Bond takeout financing.  
1&2) Covenant to budget and appropriate legally available non-ad valorem revenues.

D) With respect to the Line of Credit, the interest rate quoted herein assumes the obligation is a "non bank qualified tax exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended. If such borrowings hereunder are not tax exempt obligations, then the rate shall be adjusted to provide the Bank with the same after tax yield.

C) The tax exempt interest rate quoted herein takes into consideration a corporate tax rate of 35%. In the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust the interest rate in order to maintain the same after tax yield.

B) A written opinion from the Borrower/Issuer's counsel, in form and substance acceptable to the Bank and its counsel, that all documents are valid, binding and enforceable in accordance with their terms, that the execution and delivery of said documents has been duly authorized, and addresses such other matters as the Bank and its counsel deem appropriate, including but not limited to the certification by the Board of County Commissioners that the projects to be financed hereunder are for "essential purposes" and of vital importance to the Borrower.

1) Line of Credit - \$7,000,  
 2) Letter of Credit, Investment Banking, Remarketing and Bond Trustee - \$20,000.

A) Legal documentation will be prepared in form and substance satisfactory to the Borrower/Issuer and Bank. Such documentation will be reviewed on behalf of the Bank by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the review shall not exceed for the:

Conditions:

This commitment to Nassau County will expire on September 15, 1998. Please acknowledge acceptance by signing and returning the attached copy of this commitment to the Bank on or before the expiration date.

Acceptance:

On or before September 30, 1998.

Closing Date:

2) 37.5 basis points annual fee  
 \$100 draw fee for each request

1) Non bank qualified tax exempt floating rate of 55% of Bank's Prime Rate. As of 8/27/98, this rate was 4.675%.

Rate/Fees:

E) The Bank shall have the right to adjust the tax exempt interest rate in order to maintain the same after tax yield if any amendments to existing law are enacted which would adversely affect the Bank's after tax yield including any "determination of taxability" as will be defined in the loan documentation.

F) The Borrower/Issuer may secure additional debt on senior lien legally available non-ad valorem revenues if such prior two years average revenues provide a minimum annual debt service coverage ratio of at least 2.0 to 1.0 on the Borrower/Issuer's existing and contemplated senior secured legally available non-ad valorem revenue debt.

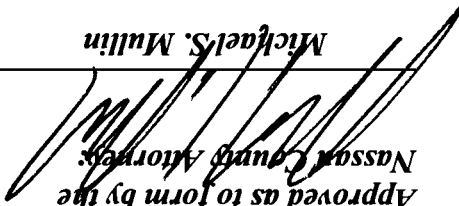
G) The Borrower/Issuer may secure additional debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower/Issuer's existing and contemplated covenant to budget and appropriate secured legally available non-ad valorem debt.

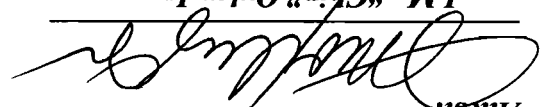
H) Debt Service Reserve:  
1) Line of Credit - none,  
2) Letter of Credit - The Issuer agrees to establish a debt service reserve (to be maintained at the Bank) equal to the lesser of one year debt service or 10% of issue principal.

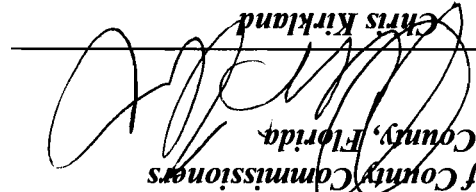
I) The Borrower/Issuer agrees to maintain minimum unreserved fund balances (cash and investments) at least equal to 25% of the prior three fiscal years average governmental fund expenditures (excludes enterprise funds).

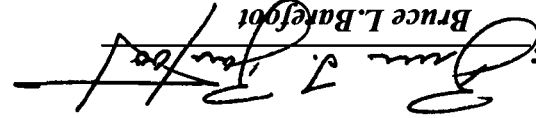
J) In the event of a failed remarketing of the Bonds, the loan rate shall be a rate to be negotiated.

K) Borrower/Issuer shall submit annual audited financial statements within 150 days of fiscal year end, annual budgets within 30 days of adoption and any other information the Bank may reasonably request.

Approved as to form by the  
Nassau County Attorney:  
  
Michael S. Mullin

Attest:  
  
J.M. "Chip" Oxley, Jr.  
Its: Ex-Officio Clerk

Agreed to and accepted this 31 day of August, 1998  
Board of County Commissioners  
Nassau County, Florida  
By:   
Chris Kirkland  
Its: Chairman

Submitted this 27th day of August, 1998  
SunTrust Bank, North Florida, N.A.  
By:   
Bruce L. Barefoot  
Senior Vice President

\* The Variable Rate Demand Bonds will be rated only on the log-term rating of the Bank.

SunTrust	Moody's	S&P
Short-term	P-1	A-1+
Long-term	A43	A4-
VRDB*	VMIG 1	

Ratings: Current long-term and/or short-term rating(s) assigned by Moody's and/or Standard & Poors:

L) Borrower/Issuer shall complete the attached survey regarding Year 2000 Compliance on or before closing, attesting to the Borrower/Issuer's evaluation, plan/budget development and approval and progress/implementation of all action required to resolve identified computer/software programming issues related to the inability to recognize the Year 2000.

**Nassau County  
 Extension of Commitment  
 Terms and Conditions  
 October 23, 1998**

**Borrower/  
 Issuer:**

Nassau County

**Bank:**

SunTrust Bank, North Florida, N.A.

**Amount:**

1) A Line of Credit for up to \$20,000,000 convertible within one year into a

2) Direct Pay Letter of Credit (the "Letter of Credit") for up to \$20,000,000 (plus interest for 50 days at 13%) to provide credit enhancement and liquidity support for Variable Rate Demand Bonds (the "Bonds") to be issued by Nassau County and marketed by SunTrust Equitable Securities.

**Maturity:**

1) Up to two years from closing.  
 2a) Letter of Credit - up to three years from closing, with a provision to automatically renew the Letter of Credit, at the sole discretion of the Bank, on an annual basis commencing at the first anniversary of date of issuance.  
 2b) Bonds - shall carry a nominal maturity of twenty years. The Letter of Credit Agreement shall provide for redemptions which would result in an issue average life of 12.4 years.

**Purpose:**

To provide interim (bond anticipation note) and permanent financing for the construction of a new jail, courthouse, administrative complex and renovation to existing courthouse.

**Security:**

1) Long term Bond takeout financing.  
 1&2) Covenant to budget and appropriate legally available non-ad valorem revenues.

D) With respect to the Line of Credit, the interest rate quoted herein assumes the obligation is a "non bank qualified tax exempt obligation" as defined in Section 265(b)(3) of the Internal Revenue Service Code of 1986, as amended. If such borrowings hereunder are not tax exempt obligations, then the rate shall be adjusted to provide the Bank with the same after tax yield.

C) The tax exempt interest rate quoted herein takes into consideration a corporate tax rate of 35%. In the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust the interest rate in order to maintain the same after tax yield.

B) A written opinion from the Borrower/Issuer's counsel, in form and substance acceptable to the Bank and its counsel, that all documents are valid, binding and enforceable in accordance with their terms, that the execution and delivery of said documents has been duly authorized, and addresses such other matters as the Bank and its counsel deem appropriate, including but not limited to the certification by the Board of County Commissioners that the projects to be financed hereunder are for "essential purposes" and of vital importance to the Borrower.

- 1) Line of Credit - \$7,000,
- 2) Letter of Credit, Investment Banking, Remarketing and Bond Trustee - \$20,000.

A) Legal documentation will be prepared in form and substance satisfactory to the Borrower/Issuer and Bank. Such documentation will be reviewed on behalf of the Bank by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the review shall not exceed for the:

This commitment to Nassau County will expire on November 15, 1998. Please acknowledge acceptance by signing and returning the attached copy of this commitment to the Bank on or before the expiration date.

On or before February 26, 1999.

- 1) Non bank qualified tax exempt floating rate of 58% of Bank's Prime Rate. As of 10/23/98, this rate was 4.64%.
- 2) 37.5 basis points annual fee
- \$100 draw fee for each request

Conditions:

Acceptance:

Closing Date:

Rate/Fees:



- F) The Borrower/Issuer may secure additional debt on senior lien to maintain the same after tax yield if any amendments to existing law are enacted which would adversely affect the Bank's defined in the loan documentation.
- G) The Borrower/Issuer may secure additional debt on a covenant to average revenues provide a minimum annual debt service coverage of at least 2.0 to 1.0 on the Borrower/Issuer's existing contemplated senior secured legally available non-ad valorem revenue debt.
- H) Debt Service Reserve:
  - 1) Line of Credit - none,
  - 2) Letter of Credit - The Issuer agrees to establish a debt service reserve (to be maintained at the Bank) equal to the lesser of one year debt service or 10% of issue principal.
- I) The Borrower/Issuer agrees to maintain minimum unreserved fund balances (cash and investments) at least equal to 25% of the prior three fiscal years average governmental fund expenditures (excludes enterprise funds).
- J) In the event of a failed remarketing of the Bonds, the loan rate shall be a rate to be negotiated.
- K) Borrower/Issuer shall submit annual audited financial statements within 150 days of fiscal year end, annual budgets within 30 days of adoption and any other information the Bank may reasonably request.

**SUNTRUST**

SunTrust Bank, North Florida, N.A.  
Post Office Box 2340  
Jacksonville, FL 32203-2340  
Tel (904) 632-2561  
Fax (904) 632-2874

Bruce L. Barefoot  
Senior Vice President

October 26, 1998

Mr. J. M. Oxley, Jr.  
Clerk of Courts of Nassau County  
191 Nassau Place  
Yulee, FL 32097

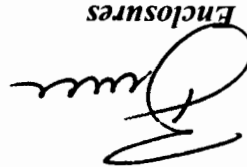
Dear Chip:

Confirming our conversation last Friday, SunTrust Bank, North Florida, N.A. is pleased to present the enclosed extension to our commitment to provide financing for the new jail, courthouse, administration complex and renovation to the existing courthouse. We have extended the commitment expiration date to February 26, 1999 and look forward to working with you to close the transaction on or before that date. Also as we discussed, due to changes in the Bank's tax position we have increased the floating tax-exempt rate from 55% to 58% of Prime. The County's borrowing rate though has actually decreased from the original 4.675% rate indicated in our past commitments to 4.64% currently. This is the result of the recent reductions in the Prime Rate from 8.50% to 8.00%. Hopefully the County can now finalize the revised land purchase in orderly fashion and we can move forward on the best financing strategy.

Chip, good luck on this next inning. The decision on the part of the County to hire the outside architect to design the entire campus sounds like a very good idea. In any case, we're on your team and are pleased to again support the County with this extension.

Please acknowledge acceptance of this commitment extension by signing and returning the enclosed copy to my attention by November 15, 1998.

Best regards,



Enclosures

cc: Mitch Owens w/enclosure

E) The Bank shall have the right to adjust the tax exempt interest rate in order to maintain the same after tax yield if any amendments to existing law are enacted which would adversely affect the Bank's after tax yield including any "determination of taxability" as will be defined in the loan documentation.

F) The Borrower/Issuer may secure additional debt on senior lien legally available non-ad valorem revenues if such prior two years average revenues provide a minimum annual debt service coverage ratio of at least 2.0 to 1.0 on the Borrower/Issuer's existing and contemplated senior secured legally available non-ad valorem revenue debt.

G) The Borrower/Issuer may secure additional debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower/Issuer's existing and contemplated covenant to budget and appropriate secured legally available non-ad valorem debt.

H) Debt Service Reserve:  
1) Line of Credit - none,  
2) Letter of Credit - The Issuer agrees to establish a debt service reserve (to be maintained at the Bank) equal to the lesser of one year debt service or 10% of issue principal.

I) The Borrower/Issuer agrees to maintain minimum unreserved fund balances (cash and investments) at least equal to 25% of the prior three fiscal years average governmental fund expenditures (excludes enterprise funds).

J) In the event of a failed remarketing of the Bonds, the loan rate shall be a rate to be negotiated.

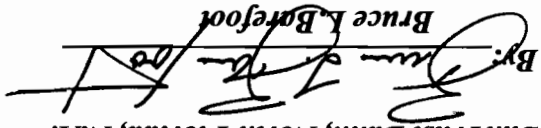
K) Borrower/Issuer shall submit annual audited financial statements within 150 days of fiscal year end, annual budgets within 30 days of adoption and any other information the Bank may reasonably request.

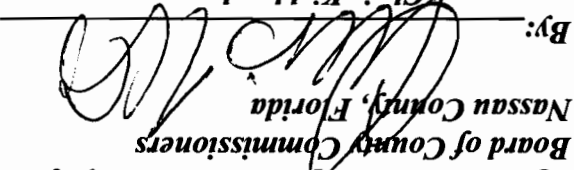
L) Borrower/Issuer shall complete the attached survey regarding Year 2000 Compliance on or before closing, attesting to the Borrower/Issuer's evaluation, plan/budget development and approval and progress/implementation of all action required to resolve identified computer/software programming issues related to the inability to recognize the Year 2000.

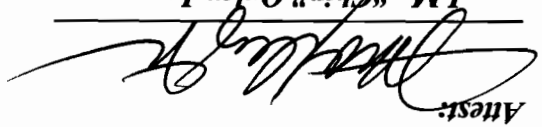
Ratings: Current long-term and/or short-term rating(s) assigned by Moody's and/or Standard & Poors:

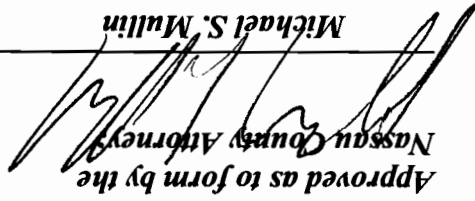
SunTrust	Moody's	S&P
Short-term	P-1	A-1+
Long-term	A-A3	A-A-
VRDB*	VMIG 1	

\* The Variable Rate Demand Bonds will be rated only on the long-term rating of the Bank.

Submitted this 23rd day of October, 1998  
 SunTrust Bank, North Florida, N.A.  
 By:   
 Bruce K. Barefoot  
 Senior Vice President

Agreed to and accepted this 16th day of November, 1998  
 Board of County Commissioners  
 Nassau County, Florida  
 By:   
 Chris Kirkland  
 Its: Chairman

Attest:  
  
 J.M. "Chip" Oxley, Jr.  
 Its: Ex-Officio Clerk

Approved as to form by the  
 Nassau County Attorney  
  
 Michael S. Mullin