
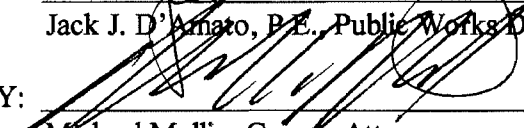


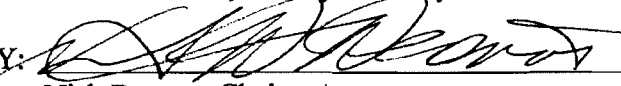
SUPPLEMENTAL AGREEMENT
APPROVAL FORM

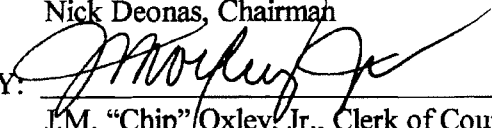
PROJECT: Amelia Island Parkway SUPP. AGREEMENT NUMBER: SA 013
DATE: March 10, 2000 CONTRACT NUMBER: NC003-98
CONTRACTOR: APAC-Georgia, Inc.

Original Contract Sum.....	\$	<u>1,932,628.58</u>
Net Change by Previous Supplemental Agreement.....	\$	<u>219,917.93</u>
Contract Sum Prior to This Supplemental Agreement.....	\$	<u>2,152,546.51</u>
Amount of This Agreement (Add/Deduct).....	\$	<u>65,457.25</u>
New Contract Sum Including this Agreement.....	\$	<u>2,218,003.76</u>

APPROVED BY:  DATE: 3-13-00
Jack J. D'Amato, P.E., Public Works Dir.

APPROVED BY:  DATE: 3-27-00
Michael Mullin, County Attorney

APPROVED BY:  DATE: 3/20/00
Nick Deonas, Chairman

APPROVED BY:  DATE: 3/20/00
J.M. "Chip" Oxley, Jr., Clerk of Courts

DRAFT

adopted by Ordinance. After some discussion, it was moved by Commissioner Howard, seconded by Commissioner Marshall and unanimously carried to adopt the manual without prohibitions. It was further moved by Commissioner Marshall, seconded by Commissioner Vanzant and unanimously carried to authorize the County Attorney to draft an ordinance to enforce the plan and advertise a public hearing for the April 24, 2000 meeting.

7:17:13 Chairman Deonas announced that discussion of the Comprehensive Emergency Management Plan has been tabled until April 10, 2000. The County Attorney confirmed the Department of Community Affairs has granted an extension to submit the plan until June 1, 2000.

7:17:51 The County Coordinator advised the request to reorganize the Capital Projects Division of the Public Works Department by reclassifying positions has been tabled until April 10, 2000.

7:18:04 After some discussion, it was moved by Commissioner Howard, seconded by Commissioner Marshall and unanimously carried to approve supplemental agreement no. 013 in the amount of \$65,457.25 to APAC-Georgia, Inc., to perform the necessary intersection improvements in order to accommodate the designated bike lane along the Amelia Island Parkway, subject to the County Attorney, Clerk, and

DRAFT

Mr. D'Amato checking appropriate use of funds within the Bond documents.

7:23:30 It was moved by Commissioner Howard, seconded by Commissioner Marshall and unanimously carried to set a policy that if on-grade golf cart crossings are provided, said roadways are to remain private or under maintenance of the appropriate homeowners association agreement; the County will consider those roadways for dedication to the County if golf cart crossings are grade separated (above or below).

7:25:53 Upon the recommendation of the County Coordinator, it was moved by Commissioner Marshall, seconded by Commissioner Vanzant and unanimously carried to authorize the County Coordinator to enter into a lease/purchase agreement and maintenance agreement with Industrial Tractor Company to be approved by the Clerk and County Attorney for the lease/purchase of four John Deer Graders utilizing the Grading Equipment Account. Mr. Gossett cautioned that this program will commit the County to two more years of budget funding.

7:32:40 The Director of Public Works requested approval to reimburse the Road and Bridge Department's Drainage Repair and Maintenance Account for the repair of a water line on Pine Street in Hilliard totaling \$8,674.



Nassau County Public Works Department
 2290 State Road 200
 Fernandina Beach, Florida 32034-3056

Jack D'Amato, Jr., PE
 Director of Public Works

Dennis Close
 Road & Bridge Superintendent

MEMORANDUM

TO : Nick Deonas, Chairman

FROM : Jack J. D'Amato, P.E., Public Works Director *[Signature]*

DATE : March 10, 2000

SUBJECT : Amelia Island Parkway Roadway Improvements
 Approval of Supplemental Agreement No. 013

00 MAR 10 PM 4:50
 COMMUNICATIONS

Background:

To accommodate a designated bike lane along the Amelia Island Parkway the right turn lanes at various intersections must be realigned. This will require the paved shoulders along the right turn lanes to be reconstructed to accommodate traffic loads.

Staff received a quote from APAC-Georgia, Inc. in the amount of \$65,457.25 to perform this work. Staff requests approval of the attached supplemental agreement in the amount of \$65,457.25 to APAC-Georgia, Inc. to perform the necessary intersection improvements for the designated bike lane.

Funding Source:

There are adequate funds available in account # 67999599-599208 Reserve Bond Interest to cover the above referenced supplemental agreement.

*OK with
 just
 per Castro
 3/10/00*

Recommendation:

Staff recommends that the Board of County Commissioners approve the supplemental agreement in the amount of \$65,457.25 to APAC-Georgia, Inc. to perform the necessary intersection improvements in order to accommodate the designated bike lane along the Amelia Island Parkway.

APPROVED

DATE 3/20/00 *OK* *if appropriate per [unclear] fund with Bond documents*

FERNANDINA
 (904) 321-5765 OR 321-5760
 FAX (904) 321-5763

TOLL FREE
 1-800-264-2065 1-800-948-3364

HILLIARD
 (904) 845-3610
 FAX (904) 845-1230

MEMORANDUM

TO: MR. OXLEY

FROM: CATHY LEWIS *CL*

DATE: MARCH 30, 2000

SUBJECT: FUND 367 "CAPITAL PROJECTS-COLLECTOR ROAD" USE OF CONSTRUCTION FUND BOND INTEREST FOR PROJECT

Based upon my review of bond documents for the 1998 Gas Tax Revenue Bonds, I conclude that bond interest earned in the construction fund (fund 367) can be used to fund the collector road project. The Certificate As To Arbitrage and Certain Other Tax Matters 3. (c)(i) states "An amount of the Original Proceeds of the Series 1998 Bonds equal to \$13,802,593.32 will be deposited in the Construction Fund, to be used to acquire and improve the Initial Project. Such amount and any investment earnings thereon will be used to pay the costs of such Initial Project."

Of course, investment earnings are subject to arbitrage calculations and interest earnings through 9/30/99, totaling \$590,735.80 (67002000-389925) was reviewed by MUNIFinancial. Account 67999599-599208 Reserve Bond Interest has a balance of \$525,019, so it appears \$65,717 (\$590,736-\$525,019) has already been allocated.

I have attached the Certificate for support to my conclusion. If you have any questions, do not hesitate to call.

Cc: Budget Dept.

RE: 3/20/00 Board action

**CERTIFICATE AS TO ARBITRAGE
AND CERTAIN OTHER TAX MATTERS**

I, J. M. "Chip" Oxley, Clerk of the Circuit Court and ex-officio Clerk of the Board of County Commissioners of Nassau County, Florida (the "Issuer"), with respect to the \$15,410,000 Gas Tax Revenue Bonds, Series 1998 (the "Series 1998 Bonds"), dated as of August 1, 1998 and being issued this day, **DO HEREBY CERTIFY** that:

1. AUTHORIZATION AND DEFINITIONS. The Series 1998 Bonds are being issued pursuant to the authority contained in Chapter 125, Part I, Florida Statutes, and other applicable provisions of law, and pursuant to Resolution No. 98-120 of the Issuer adopted July 27, 1998, as supplemented (collectively, the "Resolution").

The terms defined in the Resolution shall retain the meanings set forth therein when used in this Certificate unless the context clearly indicates another meaning is intended. Other terms used in this Certificate shall have the meanings set forth for same in other provisions hereof or in the Code, or in the Regulations, in each case unless the context clearly indicates another meaning is intended.

2. PURPOSE; ALLOCATION.

The Series 1998 Bonds are being issued to provide funds sufficient, together with other available moneys of the Issuer, to: (i) refund the outstanding State of Florida Full Faith and Credit Nassau County Road Bonds, dated May 1, 1974 (the "Refunded Bonds"), (ii) finance costs of certain transportation improvements in and for the Issuer (the "Initial Project") as more fully defined in the Resolution, and (iii) pay certain costs and expenses related to issuance of the Series 1998 Bonds.

The Series 1998 Bonds are allocated between the refunding portion and the new money portion as follows: refunding - \$1,100,000 (7.14%); new money - \$14,310,000 (92.86%).

3. FACTS, ESTIMATES AND CIRCUMSTANCES. On the basis of the facts, estimates and circumstances in existence on the date hereof, I reasonably expect the following with respect to the Series 1998 Bonds and with respect to the proceeds of the Series 1998 Bonds:

(a) **NET PROCEEDS -- SERIES 1998 BONDS**

(i) **Total.** The amount of proceeds received by the Issuer from the sale of the Series 1998 Bonds (the "1998 Net Proceeds"), which consists of the principal amount of \$15,410,000, plus accrued interest of \$33,283.34, less original issue discount of \$139,978.25, and less Underwriters' discount of \$98,978.43 will be \$15,204,326.66.

(ii) **Accrued Interest.** An amount of the 1998 Net Proceeds equal to \$33,283.34, which represents accrued interest, will be deposited in the Interest Account

of the Debt Service Fund and will be used to pay a portion of the interest due on the Series 1998 Bonds on October 1, 1998.

(iii) Deposit with State Board of Administration. An amount of the 1998 Net Proceeds equal to \$1,071,450.00, together with \$225,000.00 transferred from the reserve fund established with respect to the Refunded Bonds and \$42,242.50 transferred from the debt service fund established with respect to the Refunded Bonds, will be deposited on the date hereof with the Florida State Board of Administration on behalf of the Refunded Bonds and used to pay the principal, redemption premium and interest due upon redemption of the Refunded Bonds on November 1, 1998.

(iv) Construction Fund. An amount of 1998 Net Proceeds equal to \$13,802,593.32 will be deposited or credited on the date hereof to the Construction Fund and used to pay the costs of the Initial Project.

(v) Costs of Issuance, Insurance Policy and Surety Bond Policy. On the date hereof, an amount of 1998 Net Proceeds equal to \$142,000 will be expended to provide for the payment of the premium to MBIA Insurance Corporation ("MBIA") for issuance of a bond insurance policy and a debt service reserve fund surety policy relating to the Series 1998 Bonds. In addition, an amount of the 1998 Net Proceeds equal to \$155,000.00 will be held by the Issuer and will be used within six months of the date hereof to provide for payment of a portion of the expenses related to issuance of the Series 1998 Bonds.

(b) NO OVERISSUANCE. The Net Proceeds of the Series 1998 Bonds (\$15,204,326.66), less payment of the costs of issuance, including the bond insurance policy premium and surety bond premium to MBIA from the Net Proceeds, will be \$14,907,326.66 (the "Original Proceeds"). Taking into account other available funds, the Original Proceeds plus the investment earnings on the Original Proceeds do not exceed the amount necessary to acquire the Initial Project and to redeem the Refunded Bonds on November 1, 1998..

(c) CONSTRUCTION FUND.

(i) Deposit of Original Proceeds. An amount of the Original Proceeds of the Series 1998 Bonds equal to \$13,802,593.32 will be deposited in the Construction Fund, to be used to acquire and improve the Initial Project. Such amount and any investment earnings thereon will be used to pay the costs of such Initial Project.

(ii) Use of Construction Fund Moneys. The Issuer expects to spend all of the Original Proceeds of the Series 1998 Bonds and any investment proceeds related thereto on or before August 18, 2001.

(iii) Binding Obligations. The Issuer has spent or expects, within six months of the date hereof, to spend (or to enter into substantial binding obligations with third parties obligating the Issuer to spend) from the Original Proceeds and any investment proceeds thereon, an amount at least equal to five percent (5%) of the cost of that portion of the Initial Project to be financed from the Original Proceeds in order to commence or acquire such portion of the Initial Project.

(iv) Due Diligence. Work on the acquisition and improvement of the Initial Project to be funded from the Original Proceeds will proceed with due diligence to the completion thereof.

(v) Disposal of Initial Project. The Initial Project is not expected to be sold or disposed of prior to the last maturity date of the Series 1998 Bonds, except such portions as may be disposed of in the normal course of business.

(d) DEPOSIT WITH STATE BOARD OF ADMINISTRATION.

(i) Escrow Deposit. An amount of the Original Proceeds of the Series 1998 Bonds equal to \$1,071,450.00 will be deposited on the date hereof with the State Board of Administration. In addition, an amount equal to \$225,000.00 derived from the debt service reserve account established with respect to the Refunded Bonds and an amount equal to \$42,242.50 derived from the debt service fund for the Refunded Bonds shall be deposited with the State Board of Administration. Such amounts will be used in the manner described in Section 3(a)(iii) hereof.

(ii) Excess Proceeds. All proceeds of the Series 1998 Bonds deposited with the State Board of Administration will be used to pay debt service on the Refunded Bonds. Any interest earnings on such amounts will be transferred to the Issuer for deposit in the Debt Service Fund. In addition, there are no other amounts which constitute Original Proceeds of the Refunded Bonds, Original Proceeds of the Series 1998 Bonds, or investment earnings on such Original Proceeds. All proceeds (including Original Proceeds and Investment Proceeds) of the Series 1998 Bonds will consist of proceeds that will be used to pay principal of, redemption premium, if any, and interest on the Refunded Bonds, amounts used to pay administrative costs of repaying the Refunded Bonds, amounts on deposit in a reasonably required reserve account and amounts treated as proceeds solely because they are deposited in a sinking fund for the Series 1998 Bonds.

(e) FLOW OF FUNDS.

(i) Disposition of Gas Tax Revenues. The Issuer shall promptly deposit the Gas Tax Revenues into the Restricted Revenue Account. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the last day of each month, commencing in the month immediately following delivery of any of the Bonds to the purchasers thereof, or such later date as provided in the Indenture, in the following manner and in the following order of priority.

(ii) Interest Account. The Issuer shall deposit or credit to the Interest Account the sum which, together with the balance on deposit in said Account, shall equal the interest on all Outstanding Bonds (other than Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month.

(iii) Principal Account. The Issuer shall next deposit into the Principal Account, the sum which, together with the balance on deposit in said Account, shall equal the principal amounts on all Outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on said Bonds during the then current

calendar month if such principal amounts were deemed to accrue daily (assuming that a year consists of twelve (12) equivalent calendar months of thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount.

(iv) Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, there shall be deposited to the Bond Amortization Account the sum which, together with the balance on deposit in such Account, shall equal the Amortization Installments on all Bonds Outstanding due and unpaid and that portion of the Amortization Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Amortization Installments were deemed to accrue daily (assuming that a year consists of twelve (12) equivalent calendar months having thirty (30) days each) in equal amounts from the next preceding Amortization Installment due date, or, if there be no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment.

(v) Reserve Account. There shall next be deposited to each subaccount of the Reserve Account such sum, if any, as will be necessary to immediately restore any funds on deposit in each such subaccount to an amount equal to the Reserve Account Requirement applicable thereto including the reinstatement of any Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit therein.

(vi) Unrestricted Revenue Account. The balance of any moneys remaining in the Restricted Revenue Account after the payments and deposits required above may be transferred, at the discretion of the Issuer, to the Unrestricted Revenue Account or any other appropriate fund or account of the Issuer and be used for any lawful purpose.

(vii) Debt Service Fund. Except for the Debt Service Fund, the Issuer has not created and established and does not expect to create or establish any fund or account in connection with the Series 1998 Bonds that is expected to be used to pay debt service on the Series 1998 Bonds. The Debt Service Fund will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year and will be depleted at least annually except for a reasonable carryover amount not to exceed the greater of (A) one year's earnings on amounts in the Debt Service Fund, or (B) one-twelfth of the annual debt service on the Series 1998 Bonds. Amounts deposited in the Debt Service Fund will be used to pay debt service on the Series 1998 Bonds within a thirteen month period beginning on the date of deposit therein.

(viii) Rebate Fund. Amounts on deposit in the Rebate Account established under the Resolution shall be held in trust by the Issuer and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Debt Service Fund), and the Owner shall have no right to have the same applied for debt service on the Series 1998 Bonds.

(ix) Construction Fund. Amounts in the Construction Fund shall be used for the purpose of paying the Costs of the Initial Project. Amounts deposited in the Construction

Fund may be used for the payment of debt service on the Series 1998 Bonds; however, the Issuer does not expect that amounts in such Fund will be used to pay debt service on the Series 1998 Bonds and there is no assurance that any portion of the amounts deposited in such Fund will be available to pay such debt service.

(x) Investment Earnings. Moneys on deposit in the afore-referenced accounts may be invested and reinvested, to the extent lawful, in Authorized Investments maturing not later than the date on which the moneys therein will be needed. Any and all income received from the investment of moneys in the afore-referenced accounts shall be retained in such respective fund or account; provided, that investment earnings on amounts on deposit in each subaccount of the Reserve Account (to the extent the amount therein is in excess of the requirement) shall be deposited into the Unrestricted Revenue Account.

(xi) No Other Funds. Other than the funds and accounts described in this Certificate, no fund or account has been established pursuant to any instrument which secures or otherwise relates to the Series 1998 Bonds.

4. YIELD.

(a) GENERAL. For purposes of this Certificate, bond yield is, and shall be, calculated in the manner provided in Treasury Regulations Section 1.148-4, and the provisions therein will be complied with in all respects. The term "bond yield" means, with respect to a bond, the discount rate that when used in computing the present value of all the unconditionally payable payments of principal and interest and all the payments for a qualified guarantee paid and to be paid with respect to the bond produces an amount equal to the present value of the issue price of the bond. In computing the purchase price of the Series 1998 Bonds, which is equal to the issue price, the Issuer did not take into consideration the costs of issuance or the underwriter's discount. The purchase price of the Series 1998 Bonds, therefore, is \$15,161,305.09 (principal amount of \$15,410,000, plus accrued interest of \$33,283.34, less original issue discount of \$139,978.25, less municipal bond insurance policy premium and debt service reserve surety bond premium of \$142,000. For purposes hereof, yield is, and shall be, calculated on a 360-day year basis with interest compounded semiannually. The yield on the Series 1998 Bonds calculated in the above-described manner is 4.9507387 percent (the "Bond Yield"). Such calculation has been computed by the Senior Managing Underwriter, First Union Capital Markets, a Division of Wheat First Securities, Inc. It should be noted, however, that such yield may, under certain circumstances set forth in the Treasury Regulations, be subject to recalculation. See Exhibit A hereto.

The purchase price of all obligations other than tax-exempt investments ("Taxable Obligations") to which restrictions as to yield under this Certificate applies shall be calculated using (i) the price, taking into account discount, premium, and accrued interest, as applicable, actually paid or (ii) the fair market value if less than the price actually paid and if such Taxable Obligations were not purchased directly from the United States Treasury. The Issuer will acquire all such Taxable Obligations directly from the United States Treasury or in arms length transactions without regard to any amounts paid to reduce the yield on such Taxable Obligations. The Issuer will not pay or permit the payment of any amounts to reduce the yield on any Taxable Obligations.

(b) INSURANCE. On the date hereof, \$142,000 will be paid as a premium to MBIA for issuance of a bond insurance policy and debt service reserve surety policy relating to the Series 1998 Bonds. According to information supplied by the Underwriters, the present value of the debt service savings reasonably expected to result from the purchase of such policies, discounted at the yield of the Series 1998 Bonds, computed without taking into account the premium for the policies exceeds the amount of such premium. Thus, for purposes of calculating the Bond Yield, such premium is treated as an interest payment on the date of issuance. For all other purposes such amount is treated as an expense of issuance.

(c) DEBT SERVICE FUND -- ACCRUED INTEREST. Amounts held in the Debt Service Fund representing accrued interest on the Series 1998 Bonds will be invested without regard to yield restriction for a period not to exceed 13 months from the date of deposit of such amounts in such Account. Any amounts not expended within the period set forth above shall be invested at a yield not in excess of the Bond Yield.

(d) DEBT SERVICE FUND -- DEBT SERVICE. Amounts held in the Debt Service Fund which are set aside for the payment of the principal of and interest on the Series 1998 Bonds will be invested without regard to yield restriction for a period not to exceed 13 months from the date of deposit of such amounts in such Account. Any amounts not expended within the period set forth above shall be invested at a yield not in excess of the Bond Yield.

(e) CONSTRUCTION FUND. Amounts deposited in the Construction Fund will be invested without regard to yield restrictions for a period not to exceed the shorter of three years from the date hereof or until the acquisition of the Initial Project is complete.

(f) OTHER ACCOUNTS. Amounts deposited in all other accounts established under the Resolution may be invested without restriction as to yield.

(g) INVESTMENT EARNINGS. All investment earnings on amounts in the Debt Service Fund may be invested without regard to yield restriction for a period not to exceed one year from the date of receipt of the amount earned. All investment earnings on amounts in the Debt Service Fund not expended within one year from the date of receipt shall be invested at a yield not in excess of the Bond Yield.

5. FURTHER CERTIFICATIONS. The Issuer will take no action which would cause the Series 1998 Bonds to become Private Activity Bonds (as such term is defined in the Code). None of the Gross Proceeds of the Series 1998 Bonds will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit.

No bonds or other obligations of the Issuer (a) were sold in the 15 days preceding the date of sale of the Series 1998 Bonds, (b) were sold or will be sold within the 15 days after the date of sale of the Series 1998 Bonds, (c) have been delivered in the past 15 days, or (d) will be delivered in the next 15 days, pursuant to a common plan of financing with the plan for the issuance of the Series 1998 Bonds and payable out of substantially the same source of revenues.

The Issuer does not expect that the proceeds of the Series 1998 Bonds will be used in a manner that would cause them to be arbitrage bonds under Section 148 of the Code. The Issuer does not expect that the proceeds of the Series 1998 Bonds will be used in a manner that would

cause the interest on the Series 1998 Bonds to be includable in the gross income of the holder of the Series 1998 Bonds under Section 103 of the Code.

6. **REBATE.** The Issuer acknowledges and agrees to comply with the terms of the Arbitrage Rebate Statement attached hereto as Exhibit A. Moneys in the Rebate Fund shall be held in trust by the Issuer and, subject to the provisions hereof, shall be held for the benefit of the United States Government as contemplated under the provisions hereof and shall not constitute part of the trust estate held for the benefit of the Holders of the Series 1998 Bonds or the Issuer.

7. **AMENDMENTS.** The provisions hereof need not be observed and this Certificate may be amended or supplemented at any time by the Issuer if, in each case, the Issuer receives an opinion or opinions of Bond Counsel that the failure to comply with such provisions will not cause, and that the terms of such amendment or supplement will not cause, any of the Series 1998 Bonds to become arbitrage bonds under Section 148 of the Code, or other applicable section of the Code, or otherwise cause interest on any of the Series 1998 Bonds to become includable in gross income for federal income tax purposes under the Code.

8. **SERIES 1998 BONDS NOT FEDERALLY GUARANTEED.** Payment of debt service on the Series 1998 Bonds is not directly or indirectly guaranteed in whole or in part by the United States, within the meaning of Section 149(b) of the Code. None of the Original Proceeds will be invested directly or indirectly in federally insured deposits or accounts except for: (i) Original Proceeds invested during the applicable temporary periods described herein until such Original Proceeds are needed for the purpose for which the Series 1998 Bonds are being issued and (ii) investments of the Debt Service Fund in Section 3(e)(vii) hereof.

9. **ADDITIONAL COVENANTS AND REPRESENTATIONS.** The Issuer further agrees to (a) impose such limitations on the investment or use of moneys or investments related to the Series 1998 Bonds, (b) make such rebate payments to the United States Treasury, (c) maintain such records, (d) perform such calculations, (e) enter into such agreements, and (f) perform such other acts as may be necessary under the Code to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Series 1998 Bonds, which it may lawfully do.

10. **INFORMATION.** The Issuer agrees to file all information statements as may be required by the Code.

11. **VALUATION AND MARKET PRICE RULES.** In determining the amounts on deposit in any fund or account for purposes of this Certificate, the purchase price of the obligations, including accrued interest, shall be added together, and adding or subtracting to such purchase prices any discount, computed ratably on an annual basis. With respect to any amounts required to be restricted as to yield, the "market price rules" set forth in Exhibit A attached hereto shall apply.

12. **NO REPLACEMENT.** No portion of the amounts received from issuance or sale of the Series 1998 Bonds will be used as a substitute for other funds which were otherwise to be used for acquiring the Initial Project, and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the Bond Yield. The weighted average

maturity of the Series 1998 Bonds does not exceed 120% of the average reasonably expected remaining economic life of the Initial Project.

13. RELIANCE. The Issuer has relied on certain representations made by First Union Capital Markets, a Division of Wheat First Securities, Inc., in its certificate attached as Exhibit B hereto and by MBIA in its certificate attached as Exhibit C hereto. The Issuer is not aware of any facts or circumstances that would cause it to question the accuracy of such representations.

14. NO ADVERSE ACTION. The Issuer has neither received notice that its Certificate may not be relied upon with respect to its issues, nor has it been advised that any adverse action by the Commissioner of Internal Revenue is contemplated.

To the best of my knowledge and belief there are no facts, estimates or circumstances other than those expressed herein that materially affect the expectations herein expressed, and, to the best of my knowledge and belief, the Issuer's expectations are reasonable. I further represent that the Issuer expects and intends to be able to comply with the provisions and procedures set forth herein, including Section 148 of the Code.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 18th day of August, 1998.

NASSAU COUNTY, FLORIDA

By: _____
Clerk of the Circuit Court and ex-officio Clerk
of the Board of County Commissioners

NASSAU COUNTY, FLORIDA

GAS TAX REVENUE BOND RESOLUTION 98-120

ADOPTED JULY 27, 1998