

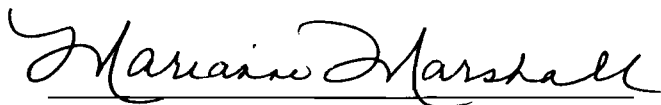
CERTIFICATE AS TO PUBLIC MEETINGS

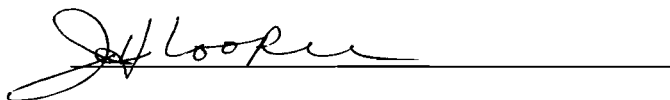
STATE OF FLORIDA)
)
) ss.
COUNTY OF NASSAU)

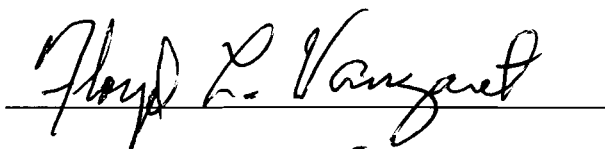
Each of the undersigned members of the Board of County Commissioners (the "Board") of Nassau County, Florida (the "County"), recognizing that SunTrust Bank, as purchaser of the County's \$20,000,000 Revenue Note, Series 2000, to be the date of issuance (the "Note"), will have purchased said Note in reliance upon this Certificate, does hereby certify that he/she, has not met with any other member or members of the Board to discuss or reach any conclusion as to whether the actions taken by the Board with respect to said Note, the security therefor, and the application of the proceeds thereof should or should not be taken by the Board or should or should not be recommended as an action to be taken or not to be taken by the Board, except at public meetings of the Board held after due notice to the public was given in the ordinary manner required by law and custom of the Board. This certificate may be signed in any number of counterparts.

IN WITNESS WHEREOF, we have hereunto set our hands as of May 15, 2000.











ACKNOWLEDGEMENT

STATE OF FLORIDA)
 ss.
COUNTY OF NASSAU)

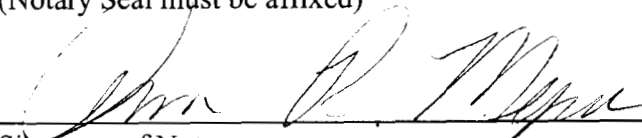
The foregoing instrument was sworn to and subscribed before me this 22nd day of May __, 2000, by the above Board members. Each such person did not take an oath and: *(notary must check applicable box)*

is/are personally known to me

_____ produced a current Florida driver's license as identification.

_____ produced _____ as identification.

(Notary Seal must be affixed)



Signature of Notary



Ann R. Myers
MY COMMISSION # CC881894 EXPIRES
January 3, 2004
BONDED THRU TROY FAIN INSURANCE, INC.

ANN R. MYERS

Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal:) _____

My Commission Expires (if not legible on seal:) _____

Nassau County
2nd Revision to Commitment
Terms and Conditions
May 10, 2000

**Borrower/
Issuer:** *Nassau County, Florida*

Bank: *SunTrust Bank*

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 one year 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, new courthouse, renovation to existing courthouse and provide for road improvements.*

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 65% of Bank's Prime Rate. As of 5/10/00, this rate was 5.85%. The Prime Rate on 5/10/00 was 9.00%.*

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

Closing Date: *On or before May 30, 2000.*

Acceptance: *This Commitment to Nassau County will expire on May 17, 2000. 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 prepared by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the preparation shall not exceed for the:*

- 1) *Line of Credit - \$7,000 plus expenses,*
- 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 parity debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues for any twelve consecutive months of the immediately preceding twenty four months provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower'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.

M) Borrower/Issuer shall represent that all computer systems are performing accurately and without interruption date-sensitive functions for any and all dates before, during and/or after January 1, 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&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.

Respectfully submitted this 10th day of May, 2000
SunTrust Bank

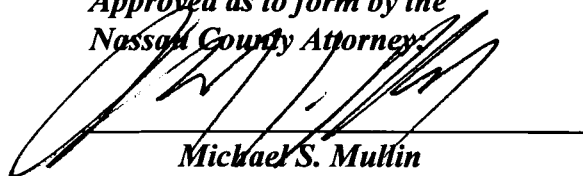
By: 
Bruce L. Barefoot
Senior Vice President

Agreed to and accepted this 15th day of May, 2000
Board of County Commissioners
Nassau County, Florida

By: 
Its: Chairman

Attest:

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

Approved as to form by the
Nassau County Attorney:

Michael S. Mullin

ROGERS, TOWERS, BAILEY, JONES & GAY
A PROFESSIONAL ASSOCIATION

CHARLES D. TOWERS, JR.
C. WILLIAM REINEY
ALLAN T. GEIGER
G. KENNETH NORRIE
DOUGLAS A. WARD
WILLIAM E. SCHEU
PAUL P. SANFORD
IRVIN M. WEINSTEIN
ROBERT T. HYDE, JR.
EDWARD L. KELLY
H. JOSEPH O'SHIELDS
DONALD C. WRIGHT
JOSEPH O. STROUD, JR.
MICHAEL A. WODRICH
CECILE EVANS RIDER
E. ALLEN HIEB, JR.
J. KIRBY CHRITTON
T. R. HAINLINE, JR.
CHRISTOPHER C. HAZELIP
SUSAN C. McDONALD
BETSY C. COX
ANTHONY A. ANDERSON
MARCIA PARKER TJOFLAT
ANNE K. BUZBY
KURT H. DUNKLE
RICHARD L. MAGUIRE
JAMES M. RILEY
MARK M. ARNOLD
GEORGE M. McCLURE
JOHN L. WHITEMAN
C. DAVIS ELY
REGINA ALBERINI YOUNG

WILLIAM A. O'LEARY
GREGORY F. LUNNY
JOHN R. IBACH
DAVID A. GARFINKEL
PETER L. DAME
CHERYL L. WORMAN
SANDRA J. MATHIS
EMILY G. PIERCE
JAMES W. MIDDLETON
JOHN A. SAPORA
ADRIAN RUST
CINDY L. BARTIN
TROY K. SMITH
LORI S. PATTERSON
STEVEN DIEBENOW
RENÉ M. FIX
RICHARD S. VERMUT
LEIGH S. SCALES
CHARLES R. CURLEY, JR.
CHRISTINE T. ADAMS
F. EUGENE ATWOOD
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MARLA K. BUCHANAN
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ATTORNEYS AT LAW
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TELEPHONE (904) 398-3911
FAX (904) 396-0663

WRITER'S INTERNET ADDRESS:
lweinstein@rtlaw.com

WRITER'S DIRECT DIAL NUMBER:
(904) 346-5523

May 24, 2000

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P.O. BOX 1872
TALLAHASSEE, FLORIDA 32302-1872
(850) 222-7200
FAX (850) 222-7204

ST. AUGUSTINE OFFICE
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ST. AUGUSTINE, FLORIDA 32085-3504
(904) 824-0879
FAX (904) 825-4070

SPECIAL COUNSEL:
JAMES M. McLEAN
FRED M. RINGEL
DAVID M. FOSTER
HOWARD I. KORMAN
ALFRED J. POMERANZ

PLEASE REPLY TO:
JACKSONVILLE

Mr. Bruce L. Barefoot
SunTrust Bank
200 W. Forsyth Street, 2nd Floor
Jacksonville, FL 32207

Michael S. Mullin, Esq.
County Attorney
Nassau County
191 Nassau Place
Yulee, FL 32097

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

Mr. Michael N. Owens
William R. Hough & Co.
One Independent Drive, Suite 2602
Jacksonville, FL 32202

RE: \$20,000,000 Nassau County, Florida Revenue Note, Series 2000

Dear Friends:

Enclosed for each of you is a copy of the transcript of proceedings for the captioned transaction. The original note has been delivered to Bruce today. Thank you very much for your cooperation in closing this transaction.

Sincerely yours,



Irvin M. Weinstein

IMW/dep
Enclosure

\$20,000,000
NASSAU COUNTY, FLORIDA
REVENUE NOTE, SERIES 2000
Dated May , 2000

CLOSING DOCUMENTS LIST

AUTHORIZING INSTRUMENT

1. Resolution, adopted May 15, 2000, authorizing the issuance of the Series 2000 Note

LOAN DOCUMENTS

2. Loan Agreement
3. Series 2000 Note
4. Commitment Letter from the Lender
5. Certificate of Interest Rate
6. Lender's Investors Letter

CLOSING CERTIFICATES

7. Officers' Certificate
8. Public Meeting Certificate
9. Non Arbitrage Certificate

OPINION LETTERS

10. Opinion of County Attorney
11. Approving Opinion of Rogers, Towers, Bailey, Jones & Gay, P.A.

MISCELLANEOUS

12. (a) IRS Form 8038-G--Information Return
(b) Transmittal Letter to IRS

13. (a) Division of Bond Finance Form BF 2003/2004
- (b) Transmittal Letter
- (c) Notice of Advance Sale

DISTRIBUTION LIST

Nassau County, Florida
SunTrust Bank
County Attorney
William R. Hough & Co.
Rogers, Towers, Bailey, Jones & Gay, P.A.

RESOLUTION NO. 2000- 94

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY, FLORIDA AUTHORIZING ISSUANCE OF THE REVENUE NOTE, SERIES 2000 OF THE COUNTY AND THE EXECUTION AND DELIVERY OF THE ATTACHED LOAN AGREEMENT IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 BETWEEN THE COUNTY AND SUNTRUST BANK FOR THE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF A NEW JAIL, A NEW COURTHOUSE, RENOVATION TO THE EXISTING COURTHOUSE, NORTH END MARINE PARK, AND CERTAIN ROAD IMPROVEMENTS; ACCEPTING THE PROPOSAL OF SUNTRUST BANK.; APPROVING THE FORM OF LOAN AGREEMENT AND NOTE EVIDENCING SUCH FINANCING; PROVIDING FOR THE PAYMENT OF SUCH NOTE FROM THE NON-AD VALOREM FUNDS OF THE COUNTY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF THE NASSAU COUNTY, FLORIDA, that:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is enacted pursuant to the provisions of Chapter 125, Florida Statutes; and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared that:

A. Nassau County, Florida (the "County") was provided with a commitment from SunTrust Bank (the "Bank") to provide the County with the necessary financing (the "Loan") for the acquisition and construction of a new jail, a new courthouse, renovation to the existing courthouse, construction of the North End Marine Park, and certain road improvements (the "Project"). The commitment of the Bank is attached hereto as Exhibit A (the "Commitment"). The acceptance of the Commitment is hereby determined to be in the best financial interest of the County.

B. It is necessary and desirable to provide for the execution and delivery of a Loan Agreement and the issuance of a Note of the County to implement the Loan. Amounts due under the Loan Agreement and the Note shall be payable from non-ad valorem revenues of the County and any bond issued by the County to pay or redeem such Note and to be secured by the County's covenant to budget and appropriate from legally available non-ad valorem funds each year monies sufficient to pay the principal and interest on such obligation.

A CERTIFIED TRUE COPY

J. M. Cole
EX-OFFICIO Clerk to the Board of County Comm.
Nassau County, Florida
Deputy Clerk

C. In accordance with the provisions of Part III, Chapter 218, Florida Statutes, a negotiated sale of the Note is in the best interest of the County because of the flexibility available in structuring the Note and its terms.

SECTION 3. AUTHORIZING AND AWARD OF NOTE. The issuance by the County of not exceeding \$20,000,000 principal amount Revenue Note, Series 2000 (the "Note") of the County, for the purpose above; to be dated, to bear interest at a rate or rates not exceeding the maximum legal rate per annum, to be payable, to mature, to be subject to redemption and to have such other characteristics as shall be provided in the form of the loan agreement attached; and to be secured by a covenant of the County to budget and appropriate from legally available non-ad valorem funds each year monies sufficient to pay the principal and interest on such Note, is hereby authorized. The sale of the Note to the Bank is hereby authorized.

SECTION 4. ACCEPTANCE OF COMMITMENT. The Chairman or Vice Chairman of the Board of County Commissioners and the Clerk of the County are hereby authorized to execute the Commitment and letter agreement with SunTrust Bank.

SECTION 5. APPROVAL OF FORM OF LOAN AGREEMENT AND NOTE. The form of the Loan Agreement and the Note attached thereto as an exhibit are hereby approved and the Chairman or Vice Chairman of the Board of County Commissioners and the Clerk of the County are hereby authorized to execute and deliver such instruments and to take such other actions as shall be necessary to implement the Loan.

SECTION 6. REPEAL OF INCONSISTENT PROVISIONS. All resolutions or parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

SECTION 7. SEVERABILITY. In the event that any portion or section of this Resolution is determined to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such decision shall in no manner affect the remaining portions or sections of this Resolution shall remain in full force and effect.

SECTION 8. EFFECTIVE DATE. This Resolution shall take effect immediately upon its final passage and adoption.

PASSED AND ADOPTED this 15th day of May, 2000.

**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA**



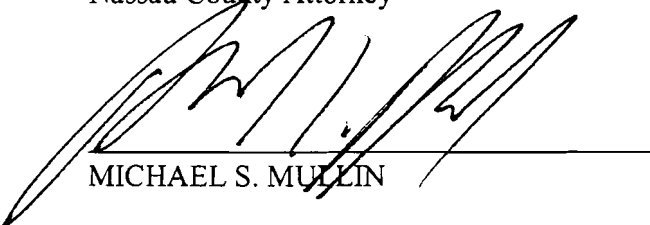
NICK D. DEONAS
Its: Chairman

ATTEST:



J. M. "CHIP" OXLEY, JR.
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

Exhibit A

Nassau County 2nd Revision to Commitment Terms and Conditions May 10, 2000

- Borrower/
Issuer:** *Nassau County, Florida*
- Bank:** *SunTrust Bank*
- 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 one year 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, new courthouse, renovation to existing courthouse and provide for road improvements.*
- 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 65% of Bank's Prime Rate. As of 5/10/00, this rate was 5.85%. The Prime Rate on 5/10/00 was 9.00%.*

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

Closing Date: *On or before May 30, 2000.*

Acceptance: *This Commitment to Nassau County will expire on May 17, 2000. 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 prepared by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the preparation shall not exceed for the:*

1) *Line of Credit - \$7,000 plus expenses,*
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 parity debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues for any twelve consecutive months of the immediately preceding twenty four months provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower'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.

M) Borrower/Issuer shall represent that all computer systems are

performing accurately and without interruption date-sensitive functions for any and all dates before, during and/or after January 1, 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&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.*

Respectfully submitted this 10th day of May, 2000
SunTrust Bank

By: _____
Bruce L. Barefoot
Senior Vice President

Agreed to and accepted this _____ day of _____, 2000
Board of County Commissioners
Nassau County, Florida

By: _____
Its: Chairman

Approved as to form by the
Nassau County Attorney:

Attest:



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

Michael S. Mullin

Dated May 22, 2000

SUNTRUST BANK

and

NASSAU COUNTY, FLORIDA

between

LOAN AGREEMENT

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This LOAN AGREEMENT made and entered May 22, 2000, by and between NASSAU COUNTY, FLORIDA (the "County") and SUNTRUST BANK (the "Lender").

WITNESSETH

WHEREAS, the County has determined that it is necessary, desirable and in the best interests of the County and its inhabitants that the County undertake the Project hereinafter described, which Project serves essential public purposes of the County.

WHEREAS, the County has determined that it is without adequate currently available funds to pay Project Costs and it is necessary that funds be made immediately available to the County in order to undertake the Project.

WHEREAS, the County has determined that it is in its best interest to accept the proposal of the Lender as set out herein.

WHEREAS, the Lender has agreed to lend the County the aggregate principal amount of not to exceed the \$20,000,000 in return for the Note.

WHEREAS, the County has determined that it is in the best interest of the health, safety, and welfare of the County and the inhabitants thereof that the County covenant to budget and appropriate from the Non-Ad Valorem Revenues amounts sufficient to repay the principal of and interest on the Note when due.

WHEREAS, the Note shall not constitute a general obligation or indebtedness of the County as a "bond" within the meaning of any provision of the Constitution of the State, but shall be and are hereby declared to be a special, limited obligation of the County, the principal of and interest on which is payable solely from the Pledged Funds in the manner provided herein, and the principal of and interest on the Note and all other payments provided for herein will be paid solely from the Pledged Funds, and it will never be necessary or authorized to levy taxes on any real property of or in the County to pay the principal of or interest on the Note or other payments provided for herein. Furthermore, neither the Note nor the interest thereon, shall be or constitute a lien upon the Project or upon any other property of or in the County other than the Pledged Funds in the manner provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein set forth and other good and valuable consideration, the receipt and sufficient of which are hereby acknowledged, the parties do hereby agree as follows:

SECTION 1. DEFINITIONS. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:

"Act" means Chapter 125, Florida Statutes, and other applicable provisions of law.

"Authorized Investments" means any obligations, deposit certificates, or other evidences of indebtedness legal for investment pursuant to law, to the extent not inconsistent with the terms of the investment policy of the County and applicable law.

"Board" means the Board of County Commissioners of the County.

"Bonds" means the Note and all bonds issued by the County on a parity as to the pledge of Non-Ad Valorem Revenues with the Note.

"Business Day" means any day of the year on which banks in Jacksonville, Florida are not required or authorized by law to remain closed and on which the Lender and the Paying Agent and the New York Stock Exchange, Inc. are open for business.

"County" means the Nassau County, Florida, a political subdivision of the State of Florida.

"Code" means the Internal Revenue Code of 1986, as amended.

"Federal Securities" means direct obligations of the United States of America and obligations the principal of and interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor.

"Fiscal Year" means the period from October 1 to the succeeding September 30.

"Lender" means SunTrust Bank or its successor in interest or its assigns.

"Maturity Date" means the date which the principal and interest on Note, or any portion thereof, shall be payable.

"Maximum Bond Service Requirement" for all Bonds or any series of Bonds or Senior Debt shall mean, as of any particular date of calculation and with respect to any period, the amount of principal of and interest on such Bonds or Senior Debt coming due in the then current or any future period in which such sum is the greatest.

"Non-Ad Valorem Revenues" means all of the revenues of the County derived from sources other than ad valorem taxation and legally available to pay principal of and interest on the Note subject to any prior liens or encumbrances on all or any specified portion thereof, whether now existing or hereafter created.

"Note" means the promissory note of the County to the Lender in substantially the form attached hereto as Exhibit A with such modifications thereto as may be approved by the Chairman,

upon the advice of the County Attorney, such approval to be presumed by the Chairman's execution thereof.

"Paying Agent" means the Clerk of the County.

"Person" or words importing persons, means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"Pledged Funds" means the Non-Ad Valorem Revenues budgeted and appropriated by the County for the payment of the Note and any proceeds of any bonds issued by the County for the purpose of redeeming or paying the Note.

"Prime Rate" means the annual interest rate announced by SunTrust Banks, Inc., from time to time, as its prime rate, which interest rate is only a bench mark, is purely discretionary and is not necessarily the best or lowest interest rate charged borrowing customers of SunTrust Banks, Inc. or any subsidiary banks.

"Project" means the acquisition and construction of a new jail, a new courthouse, renovation to the existing courthouse, construction of the North End Marine Park and certain road improvements.

"Project Costs" means all or a portion of the cost of acquisition and construction of the Project; engineering, legal, accounting, and financial expenses; expenses for estimates of costs and of revenues; expenses for plans, specifications and surveys; fees of fiscal agents, financial advisors or consultants; administrative expenses relating solely to the acquisition and construction of the Project; reimbursement to the County for any sums heretofore expended for the foregoing purposes; and such other costs and expenses as may be necessary or incidental to the financing or refinancing of the Project.

"Register" means the books maintained by the Registrar in which are recorded the names, and addresses of the holder of the Note.

"Registrar" means the Person maintaining the Register. The Registrar shall be the Clerk of the County.

"Regulations" means the Income Tax Regulations promulgated by the Internal Revenue Service under Sections 103 and 141 through 150 of the Internal Revenue Code of 1986 in effect from time to time.

"Senior Debt" shall mean any debt of the County secured by a lien on or a pledge of any part of the Non-Ad Valorem Revenues senior to the lien on or pledge thereof in favor of the Note.

"Sinking Fund" means the fund created and established pursuant to Section 10(E) hereof.

"State" means the State of Florida.

"Stated Rate" shall mean 65% of the Prime Rate, subject to adjustment as follows: (i) in the event of a change from the current 35% rate in the maximum federal income tax rate applicable to corporations, the interest on the Note shall be automatically adjusted, up or down, in order to maintain the same after-tax yield to the Lender; or (ii) the interest rate shall be adjusted (retroactively, if necessary) to provide the Lender with the same after-tax yield on the Note if (x) any amendments to existing law, other than a change in the corporate tax rate, are adopted which adversely affect the after-tax yield, or (y) there occurs a final determination by the Internal Revenue Service or a court that interest on the Note is not excluded from gross income for federal tax income tax purposes.

SECTION 2. INTERPRETATION. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

SECTION 3. THE LOAN.

A. Loan. The Lender hereby makes and County hereby accepts the loan in the principal amount of \$20,000,000 upon the terms and conditions herein.

B. Disbursement of Proceeds. Proceeds of the loan shall be made available to the County in installments in the amounts of not less than \$10,000 each upon the written request of the Clerk of the County. Written requests received by the Lender by 10:00 a.m. prevailing time in Jacksonville, Florida shall be disbursed by the Lender to the County by the close of business on such day. Written requests received by the Lender later than 10:00 a.m. prevailing time in Jacksonville, Florida shall be disbursed by the Lender to the County by the close of business on the next succeeding Business Day. Each request by the County for disbursement of proceeds shall constitute a reaffirmation by the County of all of its representations and warranties contained herein.

SECTION 4. DESCRIPTION OF NOTE. The loan shall be evidenced by the Note. The Note shall be dated as of the date of initial delivery thereof; shall mature on May 21, 2001; shall be in registered form; and shall bear interest from its date until payment of the principal amount thereof, at the Stated Rate. Interest shall be payable September 1, 2000, December 1, 2000, March 1, 2000 and at the maturity of the Note, calculated on a 30-day month, 360-day year basis. The Note may be prepaid in whole or in part prior to maturity without penalty.

SECTION 5. EXECUTION OF NOTE. The Note shall be executed in the name of the County by the Chairman, and attested and countersigned by the Clerk, and its official seal or a

facsimile thereof shall be affixed thereto or reproduced thereon. The Note may be signed and sealed on behalf of the County by any person who at the actual time of the execution of such Note shall hold such office in the County, although at the date of such Note such person may not have been so authorized. The Note may be executed by the facsimile signatures of the Chairman or Clerk.

SECTION 6. REGISTRATION AND TRANSFER OF NOTE. The Note shall be and shall have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and the registered owner, in accepting the Note, shall be conclusively deemed to have agreed that such Note shall be and have all of the qualities and incidents of negotiable instruments thereunder.

There shall be a Registrar who shall be responsible for maintaining the Register. The person in whose name ownership of any Note is shown on the Register shall be deemed the owner thereof by the County and the Registrar, and any notice to the contrary shall not be binding upon the County or the Registrar. The County and the Registrar may treat the registered owner as the absolute owner of the Note for all purposes, whether or not such Note shall be overdue, and shall not be bound by any notice to the contrary.

Ownership of Note may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of any Note accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the registered owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new fully registered Note of authorized denominations and of the same maturity and interest rate and for the aggregate principal amount as the Note surrendered.

The Note presented for transfer, exchange, redemption or payment (if so required by the County or the Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the County or the Registrar, duly executed by the registered owner or by his duly authorized attorney.

The Registrar or the County may require payment from the registered owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Note shall be delivered.

The new Note delivered upon any transfer or exchange shall be a valid obligation of the County, evidencing the same debt as the Note surrendered, shall be secured under this Agreement, and shall be entitled to all of the security and benefits hereof to the same extent as the Note surrendered.

Whenever any Note shall be delivered to the Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Note shall be canceled and

destroyed by the Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the County.

SECTION 7. NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case any Note shall be mutilated, or be destroyed, stolen or lost, upon the registered owner furnishing the Registrar proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the County may prescribe and paying such expenses as the County may incur, the Registrar shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Note, upon surrender of such mutilated Note, if any, to the Registrar and the cancellation thereof; provided however, if the Note shall have matured or be about to mature, instead of issuing a substitute Note, the County may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof. Any Note surrendered under the terms of this Section 7 shall be canceled by the Registrar.

Any such duplicate Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the County whether or not, as to the duplicate Note, the lost, stolen or destroyed Note be at any time found by anyone, and such duplicate Note shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the special funds, as hereinafter pledged, to the same extent as the other Note issued hereunder.

SECTION 8. FORM OF NOTE. The Note shall be in substantially the form of Exhibit A hereto with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Agreement.

SECTION 9. SECURITY FOR NOTE; NOTE NOT DEBT OF THE COUNTY. The payment of the principal of and interest on the Note shall be secured forthwith, by a lien upon and a pledge of the Pledged Funds. Until the Note is paid or deemed paid pursuant to the provisions of this Agreement; the County hereby covenants (i) to appropriate in each Fiscal Year from Non-Ad Valorem Revenues sufficient moneys to pay the principal of and interest on the Note coming due in said Fiscal Year, and (ii) from such appropriated funds to pay said principal and interest in such Fiscal Year. The Note shall not constitute a general obligation or indebtedness of the County and the Lender shall never have the right to require or compel the levy of taxes upon any property of or in the County for the payment of the principal of and interest on the Note. The County does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Note.

SECTION 10. COVENANTS OF THE COUNTY. So long as any of the principal of or interest on the Note shall be outstanding and unpaid or until provision for payment of the Note shall have been made pursuant to Section 20 hereof, the County covenants with the Lender as follows:

A. Tax Compliance. The County will take all actions necessary to maintain the exclusion from gross income of interest on the Note to the same extent as such existed on the date of issuance of the Note.

B. Budget and Appropriate. The County covenants that it will, in each year while the Note is outstanding, budget and appropriate sufficient Non-Ad Valorem Revenues to make payments of principal and interest on such Note as they become due.

Such covenant and agreement on the part of the County to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the County, the County does not covenant to maintain any services or programs, now provided or maintained by the County, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor, except as provided in F below, does it preclude the County from pledging in the future its Non-Ad Valorem Revenues, nor does it require the County to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Lender a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the County. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available for the payment of the principal of and interest on the Note, in the manner described herein, Non-Ad Valorem Revenues and placing on the County a positive duty to appropriate and budget, by amendment if necessary, amounts sufficient to meet its obligations hereunder. The County represents that the Project serves essential public purposes.

C. Financial Statements. Not later than 150 days following the end of each fiscal year, the County shall provide the Lender the annual audited financial statement of the County audited by the County's certified public accountants together with the report of such accountants containing only such qualifications as are reasonably acceptable to the Lender.

D. Annual Budget and Other Information. The County shall prepare its annual budget in accordance with Florida law, and shall provide the Lender a copy of its final annual budget for each fiscal year within 30 days of adoption thereof by the Board and such other information the Lender may reasonably request.

E. Sinking Fund. The County hereby creates and establishes a special separate fund to be called the "Nassau County, Florida Revenue Note, Series 2000 Sinking Fund" (hereinafter called the "Sinking Fund").

On or before the Business Day prior to each date fixed for the payment of principal or interest on the Note, the County shall deposit from Non-Ad Valorem Revenues to the Sinking Fund the

amounts sufficient to pay the interest and principal becoming due on the Note on the next payment date therefor.

The amounts remaining on deposit in the Sinking Fund on the day following the respective interest or principal payment may be withdrawn by the County and applied for other County purposes. In no event shall any moneys remain on deposit in the Sinking Fund for a period greater than thirteen (13) months.

Amounts on deposit in the Sinking Fund may be invested and reinvested by the County in Authorized Investments maturing or redeemable at the option of the County not later than the date such amounts are needed for the payments required hereunder.

Except to the extent otherwise required by any provision hereof or of any tax compliance certificate delivered in connection with the delivery of the Note, all income from the investment of moneys in the fund and accounts established by this Agreement shall, upon receipt thereof, be deposited to the credit of the Sinking Fund and used for the purposes thereof.

The designation of a special fund by this Agreement shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly used and defined in governmental accounting, but is intended solely to constitute an earmarking of certain moneys and investments for certain purposes and to establish certain priorities for application of such moneys and investments as herein provided. The moneys and investments required to be accounted for in the foregoing fund established herein may be deposited in a single fund or account, provided that adequate accounting records are maintained to reflect the allocation of the moneys and investments on deposit therein into the fund established hereunder and to control the restricted uses of such moneys and investments for the various purposes as herein provided.

The County shall not be required to make any further payments into the Sinking Fund when the aggregate amount of money and Authorized Investments in said funds and accounts is at least equal to the total principal of and interest on the Note then outstanding.

F. Issuance of Other Obligations. Except for the Note, the County will not issue any other obligations payable from the Non-Ad Valorem Revenues nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge against the Non-Ad Valorem Revenues, or any part thereof, except as set out below.

(1)(i) Additional indebtedness, payable on a parity from the Non-Ad Valorem Revenues with the Note may be issued upon obtaining and filing with the Clerk of the County and the Lender a certificate of an independent certified public accountant or firm of such accountants of suitable experience and responsibility: (a) stating that the books and records of the County relating to the collection and receipt and application of Non-Ad Valorem Revenues have been audited by it for (I) the Fiscal Year immediately preceding the date of delivery of the proposed additional indebtedness, or (II) prior to the completion of such audit described in (I), the next most recent Fiscal

Year, or (III) any twelve consecutive months period ending after the end of the immediately preceding Fiscal Year; (b) setting forth the amount of Non-Ad Valorem Revenues received by the County for the audited period referred to in clause (a) above, with respect to which such certificate is made; (c) stating that the Non-Ad Valorem Revenues described in clause (b) above equal at least 1.25 times the Maximum Bond Service Requirements coming due in any future Fiscal Year on all Bonds then outstanding and on the proposed additional parity indebtedness with respect to which such certificate is made.

(ii) Each resolution authorizing the resolution of additional parity indebtedness payable on a parity from the Non-Ad Valorem Revenues with the Note shall recite that all of the covenants herein contained will be applicable to such additional parity indebtedness.

(iii) The County shall not be default in performing any of the covenants and obligations assumed hereunder, and all payments herein required to have been made shall have been made to the full extent required.

(2) The County will not issue any Senior Debt unless the County (i) prepares and files with the Clerk of the County and the Lender a certificate of its independent certified public accountants that the average annual Non-Ad Valorem Revenues during the two immediately preceding Fiscal Years of the County is at least equal to 2.0 times the Maximum Bond Service Requirement on the Senior Debt then outstanding and on the Senior Debt with respect to which the certificate is made, and (ii) shall not be in default in performing any of the covenants and obligations assumed hereunder, and all payments herein required to have been made shall have been made to the full extent required.

G. Unreserved Fund Balance. The County shall maintain at the end of each Fiscal Year a minimum unreserved fund balance (cash and investments) at least equal to 25% of the prior three Fiscal Years' average governmental fund expenditures (excluding enterprise funds).

SECTION 11. APPLICATION OF NOTE PROCEEDS. The proceeds of the Note shall first be applied by the County to pay the costs of preparation and issuance of the Note and thereafter shall be used by the County to pay the Project Costs. The Lender shall have no responsibility for the use of the proceeds of the Note, and the use of Note proceeds by the County shall in no way affect the rights of the Lender.

SECTION 12. CONDITIONS PRECEDENT. The obligation of the Lender to make the initial disbursement of proceeds is subject to the satisfaction of each of the following conditions precedent on or before the closing date:

A. Action. The Lender shall have received copies of all action taken by the County approving the execution and delivery by the County of this Agreement and the financing documents to which the County is a party, in each case certified as complete and correct as of the closing date.

B. Incumbency of Officers. The Lender shall have received an incumbency certificate of the County in respect of each of the officers who is authorized to sign this Agreement and the financing documents to which it is a party on behalf of the County.

C. Opinion of Counsel to the County. The Lender shall have received a written opinion of counsel to the County covering matters relating to the transactions contemplated by this Agreement and the financing documents, in form and substance satisfactory to the Lender.

D. Opinion of Bond Counsel. The Lender shall have received an opinion from bond counsel in respect of the Note, in form and substance satisfactory to the Lender.

E. No Default, Etc. No Default shall have occurred and be continuing as of the closing date or will result from the execution and delivery of this Agreement or the making of an advance; the representations and warranties made by the County shall be true and correct in all material respects on and as of the closing date, as if made on and as of such date; and the Lender shall have received a certificate from the County to the foregoing effect.

F. Other Documents. The Lender shall have received such other documents, certificates and opinions as the Lender or its counsel shall have reasonably requested.

SECTION 13. REPRESENTATIONS AND WARRANTIES. The County represents and warrants to the Lender that:

A. Organization. The County is a political subdivision of the State of Florida.

B. Authorization of Agreement and Related Documents. The County has the power and has taken all necessary action to authorize the execution, delivery and performance of the County's obligations under this Agreement and each of the financing documents to which it is a party in accordance with their respective terms. This Agreement has been duly executed and delivered by the County and is, and each of the financing documents to which it is a party when executed and delivered will be, legal, valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization or moratorium applicable to the County and general equitable principles regarding the availability of specific performance.

C. Non-Ad Valorem Revenues. The County currently receives the Non-Ad Valorem Revenues, and is legally entitled to covenant to budget and appropriate from such Non-Ad Valorem Revenues sufficient amounts in each Fiscal Year to pay the principal of and interest on the Note, when due, subject to any prior liens or encumbrances on such Non-Ad Valorem Revenues, whether now existing or hereafter created. The Non-Ad Valorem Revenues are estimated to be sufficient to pay the principal of and interest on the Note as the same becomes due and to make all other payments required to be made from such Non-Ad Valorem Revenues by the terms of this Agreement

or other instruments to which the County is a party or pursuant to which all or any portion of the Non-Ad Valorem Revenues may be obligated.

D. Financial Statements. The financial statements of the County for the year ended September 30, 1999, copies of which have been furnished to the Lender, have been prepared in accordance with generally accepted accounting principles and present fairly the financial condition of the County as of such date and the results of its operations for the period then ended. Since such date, there has been no material adverse change in the financial condition, revenues (including, without limitation, Non Ad-Valorem Revenues), properties or operations of the County.

E. Year 2000 Representation. The County represents that all computer systems of the County are performing accurately and without interruption date-sensitive functions for any and all dates before, during and/or after January 1, 2001.

SECTION 14. TAX COMPLIANCE. Neither the Board of County Commissioners, the County, nor any third party over whom the Board of County Commissioners or the County have control, will make any use of the proceeds of the Note or the Pledged Revenues at any time during the term thereof which would cause the Note to be "private activity bonds" within the meaning of Section 103(b)(1) of the Code or "arbitrage bonds" within the meaning of Section 103(b)(2) of the Code. The Board of County Commissioners, on behalf of the County, covenants throughout the term of the Note, to comply with the requirements of the Code and the Regulations, as amended from time to time.

SECTION 15. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

County: Nassau County
191 Nassau Place
Yulee, FL 32097
Attention: County Clerk

Lender: SunTrust Bank
200 W. Forsyth St.
Jacksonville, FL 32202
Attention: Mr. Bruce L. Barefoot,
Senior Vice President

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Communication to the Lender via telecopier shall be confirmed by delivery of a hard copy thereof to the Lender not later than two (2) Business Days after such communication by telecopier. Notices to the Paying Agent shall be effective only upon the receipt thereof by the Paying Agent.

SECTION 16. EVENTS OF DEFAULT DEFINED. The following shall be "Events of Default under this Agreement and the terms "Events of Default" shall mean (except where the context clearly indicates otherwise), when whenever such term is used in this Agreement, any one or more of the following events:

A. Failure by the County to timely pay any loan repayment within three (3) days of the date on which such are due and payable;

B. Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of thirty (30) days after written notice, except to the extent some other grace period shall be provided in regard to a covenant, specifying such failure and requesting that it be remedied, is given to the County by the Lender, unless the Lender shall agree in writing to an extension of such time prior to its expiration;

C. Any warranty, representation or other statement by the County or by an officer or agent of the County contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material adverse respect;

D. A petition is filed against the County under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and an order for relief is entered or such petition is not dismissed within sixty (60) days of such filing;

E. The County files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

F. The County admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the County or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 60 days; or

G. Any debt of or assumed by the County (i) is not paid when due nor within any applicable grace period in any agreement or instrument relating to such debt, (ii) becomes due and payable before its normal maturity by reason of a default or event of default, however, described, or (iii) becomes subject to a moratorium.

SECTION 17. REMEDIES. The Lender may sue to protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, of the United States of America, or granted and contained in this Agreement, and to enforce

and compel the performance of all duties required by this Agreement or by any applicable laws to be performed by the County, the Board or by any officer thereof, and may take all steps to enforce this Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America.

SECTION 18. NO RECOURSE. No recourse shall be had for the payment of the principal of and interest on the Note or for any claim based on the Note or on this Agreement, against any present or former member or officer of the Board or any person executing the Note.

SECTION 19. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Agreement, shall be other than a Business Day, then such payment or performance shall be made on the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Agreement, provided that interest on any monetary obligation hereunder shall accrue at the applicable rate to and including the date of such payment.

SECTION 20. DEFEASANCE. If, at any time, the County shall have paid, or shall have made provision for payment of, the principal and interest with respect to the Note and all costs and expenses of the Lender payable under this Agreement, then, and in that event, the pledge of and lien on the Pledged Funds in favor of the Lender shall be no longer in effect and the County shall have no further obligation to comply with the covenants contained in Section 10 hereof, other than the covenant contained in paragraph (A) of Section 10. For purposes of the preceding sentence, deposit of Federal Securities in irrevocable trust with a banking institution or trust company, for the sole benefit of the Note, with respect to which Federal Securities the principal of and interest will be sufficient to make timely payment of the principal and interest on the Note, shall be considered "provision for payment."

SECTION 21. LETTER OF CREDIT. SunTrust Bank agrees to make available a letter of credit to the County to provide credit and liquidity support to the County for an issue of bonds, the proceeds of which will be used to pay or redeem the Note and to finance Project Costs. This agreement is subject to the provisions of that certain "Nassau County Revision to Commitment Terms and Conditions April 28, 2000" from SunTrust Bank and accepted by the County.

SECTION 22. WAIVER OF JURY TRIAL. With respect to any suit or action between the County and the Lender relating to the Note or this Agreement or any other aspect of the transaction between the County and the Lender, the County and the Lender each expressly waives any right to a jury trial, and agrees that the exclusive venue for any such suit or action shall be Duval County, Florida.

SECTION 23. AMENDMENTS, CHANGES AND MODIFICATIONS. This Agreement may be amended by the County, with the prior written consent of the Lender.

SECTION 24. BINDING EFFECT. To the extent provided herein, this Agreement shall be binding upon the County and the Lender and shall inure to the benefit of the County and the Lender and their respective successors and assigns.

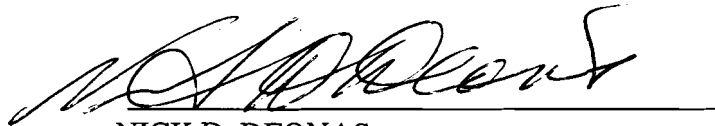
SECTION 25. SEVERABILITY. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 26. EXECUTION IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 27. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State.

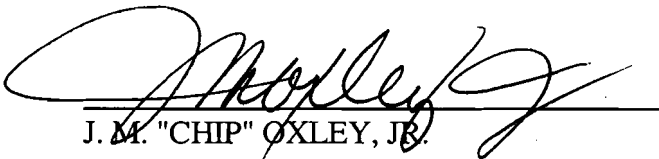
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA



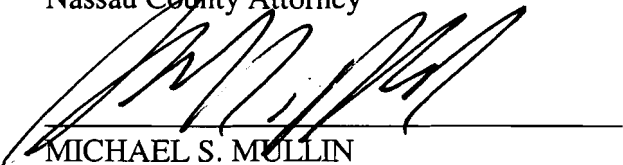
NICK D. DEONAS
Its: Chairman

ATTEST:

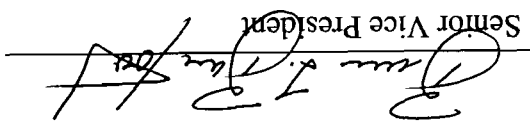


J. M. "CHIP" OXLEY, JR.
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

By:  Senior Vice President

SUNTRUST BANK

EXHIBIT A
FORM OF NOTE

NO. R-1

NASSAU COUNTY, FLORIDA
REVENUE NOTE, SERIES 2000

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
Variable, as set out below	May 21, 2001	May 22, 2000

REGISTERED OWNER: SUNTRUST BANK

PRINCIPAL AMOUNT: \$20,000,000

KNOW ALL MEN BY THESE PRESENTS, that Nassau County, Florida (the "County"), for value received, hereby promises to pay to the Registered Owner on the Maturity Date specified above, the Principal amount shown above (or such lesser amount which has been advanced (as recorded on the advance grid attached hereto) pursuant to the terms of that certain Loan Agreement dated the Date of Issue hereof between the County and the Registered Owner (the "Agreement")), plus interest thereof from the Date of Issue set forth above to the date of payment thereof, at the Stated Rate until payment of the Principal amount above stated, such interest to be calculated on a 360-day year consisting of twelve 30-day months. This Note shall bear interest at a fluctuating rate of interest equal to 65% of the Prime Rate. The Rate of Interest on this Note is subject to adjustment as set forth in the Agreement under the definition of "Stated Rate." This Note may be prepaid in whole or in part prior to maturity. Prepayments shall be applied, first, to interest accrued as of the date of such prepayment, and second to reduction of the principal of each Advance hereunder in the order in which such Advances were made. Capitalized terms used herein and not defined are used as defined in the Agreement.

This Note is issued under the authority of Chapter 125, Florida Statutes, the Charter of the County, and other applicable provisions of law, and pursuant and subject to the terms and conditions of Resolution duly adopted by the Board of County Commissioners of the County on May 15, 2000 (the "Resolution"), to which reference should be made to ascertain those terms and conditions.

Subject to the limitations and restriction set forth in the Agreement, the County has covenanted in the Agreement to budget and appropriate in each Fiscal Year while this Note is outstanding sufficient amounts, from legally available Non-Ad Valorem Revenues, to pay the principal of and interest on this Note during such Fiscal Year, as more particularly provided in the Agreement.

This Note shall not constitute a general obligation or indebtedness of the County, and the Lender shall never have the right to require or compel the levy of taxes on any property of or in the County for the payment of the principal of and interest on this Note. This Note shall not constitute a lien upon the Project, or upon any property of or in the County, but shall be payable solely from the Pledged Funds in the manner provided in the Agreement. Reference is made to the Agreement for the provisions relating to the security for payment of this Note and the duties and obligations of the County hereunder.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to happen, exist and be performed precedent to and in the issuance of this Note, have happened, exist and have been performed in regular and due form and time as so required.

IN WITNESS WHEREOF, the Board of County Commissioners of Nassau County, Florida, has caused this Note to be executed by the Chairman, and attested by the Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, and this Note to be dated May 22, 2000.

**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA**

NICK D. DEONAS
Its: Chairman

ATTEST:

J. M. "CHIP" OXLEY, JR.
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney

MICHAEL S. MULLIN

The following abbreviations, when used in the inscription on the face of the within, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in
common

TEN ENT - as tenants by the
entireties

UNIF GIF MIN ACT - _____

Custodian for _____

under Uniform Gifts to Minor
Minors Act of _____

JT TEN - as joint tenants
with right of survivorship
and not as tenants in
common

UNIF TRANS MIN ACT - _____

(Cust.)

(Cust.)

Custodian for _____

(Minor)

(Minor)

under Uniform Transfers to
Minors Act of _____

(State)

(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____

PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE the within note and does hereby irrevocably constitute and appoint

_____ as his agent to transfer the note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within note in every particular, without alternation or enlargement or change whatever.

(Authorized Officer)

NO. R-1

NASSAU COUNTY, FLORIDA
REVENUE NOTE, SERIES 2000

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE
Variable, as set out below	May 21, 2001	May 22, 2000

REGISTERED OWNER: SUNTRUST BANK

PRINCIPAL AMOUNT: \$20,000,000

KNOW ALL MEN BY THESE PRESENTS, that Nassau County, Florida (the "County"), for value received, hereby promises to pay to the Registered Owner on the Maturity Date specified above, the Principal amount shown above (or such lesser amount which has been advanced (as recorded on the advance grid attached hereto) pursuant to the terms of that certain Loan Agreement dated the Date of Issue hereof between the County and the Registered Owner (the "Agreement")), plus interest thereof from the Date of Issue set forth above to the date of payment thereof, at the Stated Rate until payment of the Principal amount above stated, such interest to be calculated on a 360-day year consisting of twelve 30-day months. This Note shall bear interest at a fluctuating rate of interest equal to 65% of the Prime Rate. The Rate of Interest on this Note is subject to adjustment as set forth in the Agreement under the definition of "Stated Rate." This Note may be prepaid in whole or in part prior to maturity. Prepayments shall be applied, first, to interest accrued as of the date of such prepayment, and second to reduction of the principal of each Advance hereunder in the order in which such Advances were made. Capitalized terms used herein and not defined are used as defined in the Agreement.

This Note is issued under the authority of Chapter 125, Florida Statutes, the Charter of the County, and other applicable provisions of law, and pursuant and subject to the terms and conditions of Resolution duly adopted by the Board of County Commissioners of the County on May 15, 2000 (the "Resolution"), to which reference should be made to ascertain those terms and conditions.

Subject to the limitations and restriction set forth in the Agreement, the County has covenanted in the Agreement to budget and appropriate in each Fiscal Year while this Note is outstanding sufficient amounts, from legally available Non-Ad Valorem Revenues, to pay the

principal of and interest on this Note during such Fiscal Year, as more particularly provided in the Agreement.

This Note shall not constitute a general obligation or indebtedness of the County, and the Lender shall never have the right to require or compel the levy of taxes on any property of or in the County for the payment of the principal of and interest on this Note. This Note shall not constitute a lien upon the Project, or upon any property of or in the County, but shall be payable solely from the Pledged Funds in the manner provided in the Agreement. Reference is made to the Agreement for the provisions relating to the security for payment of this Note and the duties and obligations of the County hereunder.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Florida to happen, exist and be performed precedent to and in the issuance of this Note, have happened, exist and have been performed in regular and due form and time as so required.

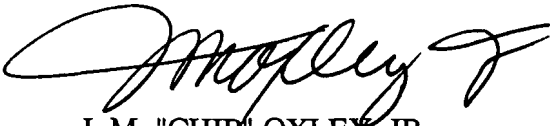
IN WITNESS WHEREOF, the Board of County Commissioners of Nassau County, Florida, has caused this Note to be executed by the Chairman, and attested by the Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, and this Note to be dated May 22, 2000.

**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA**



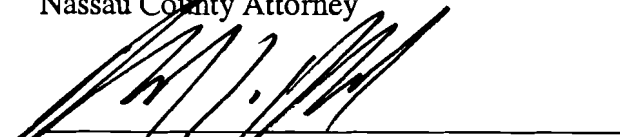
NICK D. DEONAS
Its: Chairman

ATTEST:



J. M. "CHIP" OXLEY, JR.
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney


MICHAEL S. MULLIN

The following abbreviations, when used in the inscription on the face of the will, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIF MIN ACT - _____
UNIF TRANS MIN ACT - _____

(Cust.)

(Cust.)

Custodian for _____
Custodian for _____

(Minor)

(Minor)

under Uniform Gifts to Minor _____
under Uniform Transfers to Minors Act of _____

(State)

(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____

PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE the within note and does hereby irrevocably constitute and appoint

_____ as his agent to transfer the note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within note in every particular, without alternation or enlargement or change whatever.

(Authorized Officer)

Nassau County
2nd Revision to Commitment
Terms and Conditions
May 10, 2000

- Borrower/
Issuer:** *Nassau County, Florida*
- Bank:** *SunTrust Bank*
- 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 one year 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, new courthouse, renovation to existing courthouse and provide for road improvements.*
- 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 65% of Bank's Prime Rate. As of 5/10/00, this rate was 5.85%. The Prime Rate on 5/10/00 was 9.00%.*

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

Closing Date: *On or before May 30, 2000.*

Acceptance: *This Commitment to Nassau County will expire on May 17, 2000. 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 prepared by Irvin M. Weinstein of the law firm Rogers, Towers, Bailey, Jones and Gay of Jacksonville. Total legal fees for the preparation shall not exceed for the:*

- 1) *Line of Credit - \$7,000 plus expenses,*
- 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 parity debt on a covenant to budget and appropriate of legally available non-ad valorem revenues if such revenues for any twelve consecutive months of the immediately preceding twenty four months provide a minimum annual debt service coverage of at least 1.25 to 1.0 on the Borrower'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.

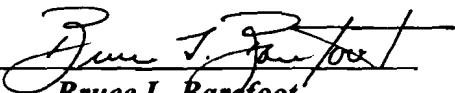
M) Borrower/Issuer shall represent that all computer systems are performing accurately and without interruption date-sensitive functions for any and all dates before, during and/or after January 1, 2000.

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&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.

Respectfully submitted this 10th day of May, 2000
SunTrust Bank

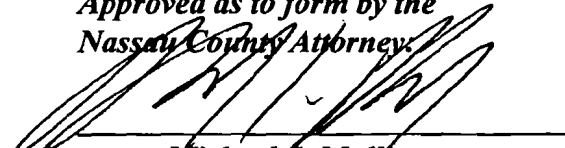
By: 
Bruce L. Barefoot
Senior Vice President

Agreed to and accepted this 15th day of May, 2000
Board of County Commissioners
Nassau County, Florida

By: 
Its: Chairman

Attest:

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

Approved as to form by the
Nassau County Attorney:

Michael S. Mullin

CERTIFICATE AS TO INTEREST RATE

The undersigned Senior Vice President of SunTrust Bank hereby certifies in connection with the issuance by Nassau County, Florida (the "County") of its Revenue Note, Series 2000 (the "Series 2000 Note") as follows:

1) Interest on the Series 2000 Note will bear interest at the variable rate of 65% of the Prime Rate of SunTrust Bank as announced from time to time.

2) On the date hereof the Prime Rate is 9.5% and therefore the initial interest rate on the Note on the date hereof is 6.175%.

Dated: May 22, 2000.

SUNTRUST BANK

By: 
Senior Vice President

REPRESENTATION LETTER OF LENDER

May 22, 2000

Board and Members of Board of
County Commissioners of
Nassau County, Florida

Rogers, Towers, Bailey, Jones & Gay, P.A.
Jacksonville, Florida

Re: Nassau County, Florida \$20,000,000
Revenue Note, Series 2000

In connection with its acceptance of the above-styled obligation (the "Note") of Nassau County, Florida (the "County"), SunTrust Bank (the "Lender"), hereby makes the following representations, which are solely for the benefit of the persons to whom this letter is addressed and are not to be relied upon by any other person for any other purpose:

(a) It is a Georgia banking corporation, and it is duly and legally authorized to accept the Note.

(b) It is sufficiently knowledgeable and experienced in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to determine what investigation of the business and financial affairs of the County is necessary in order to evaluate the investment risks associated with the purchase of the Note and to evaluate the risks and merits of the investment represented by the Note.

(c) It has been offered copies of or full access to all documents related to the authorization, sale, and issuance of the Note and all records, reports, financial statements and other information concerning the financial and business operations of the County and pertinent to the Pledged Funds (as defined in the Note) which it deemed to be significant in making its investment decision, and which were requested by it (provided that it does not waive any rights it may have against the County or its representatives, with respect to any information so supplied or any misstatements or omissions).

(d) It is accepting the Note solely for its own account and not on behalf of others, and with no present intent to resell or otherwise distribute all or any part of or interest in the Note.

(e) It has been informed by the County and agrees that in reliance upon the representations of the Lender contained herein, (i) no official statement, placement memorandum, or other disclosure document has been prepared and is being delivered in connection with the delivery of the Note, and (ii) the Note (A) is not being registered or otherwise qualified for sale under

Board and Members of the
Board of County Commissioners of
Nassau County, Florida
Rogers, Towers, Bailey, Jones & Gay, P.A.
May 22, 2000
Page 2

the "Blue Sky" laws and regulations of any state, (B) will not be listed on any stock or other securities exchange, (C) will carry no rating from any rating service, and (D) is not likely to be readily marketable.

(f) It will not offer, sell or otherwise dispose of all or any part of or interest in the Note, except (i) in full good faith compliance with all applicable securities registration, broker-dealer, anti-fraud and other applicable provisions of the state and federal laws, and (ii) either under effective federal and state registration statements (which the County shall not in any way be obligated to provide) or upon delivery of an opinion of recognized counsel to the effect that the Note is being offered, sold or otherwise disposed of pursuant to exemptions from such registrations.

(g) It is not acting as a bond house, broker or other intermediary with respect to any offering of the Note, it is not an underwriter for the Note, and it has not paid and will not pay any bonus, fee or gratuity to any "finder," within the meaning of Section 218.386, Florida Statutes, as amended, in connection with the delivery of the Note to it by the County.

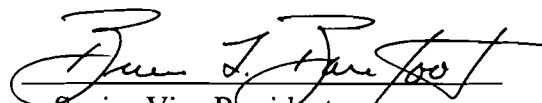
(h) The Note was purchased at a price of par, without any accrued interest, which did not exceed the fair market value of the Note on the date the County accepted the proposal of the Lender for such purchase, and the Note is not being reoffered to the public.

(i) The County is issuing a maximum principal amount of \$20,000,000 of debt or obligations for the purpose of financing the cost of the acquisition and construction of a new jail, a new courthouse, renovation to the existing courthouse, construction of the North End Marine Park and certain road improvements. This debt or obligation is expected to be repaid over a period of one year. At an assumed interest rate of 6.175% (the interest rate on the date of issue), assuming the total amount is drawn on the date hereof, the total interest paid over the life of the debt or obligation will be approximately \$1,235,000. The source of repayment or security for the County's obligation is the Pledged Funds, as more specifically described and defined in the Resolution.

The undersigned authorized officer of the Bank, hereby acknowledges receipt of the Note.

SUNTRUST BANK

By:


Senior Vice President

OFFICERS' CERTIFICATE

We, the undersigned officers and officials of Nassau County, Florida (the "County"), hereby execute this certificate in connection with the issuance and delivery by the County of its \$20,000,000 Revenue Note, Series 2000, dated May 22, 2000 (the "Series 2000 Note"). Capitalized terms used herein and not defined are used as defined in the Loan Agreement

The Series 2000 Note will be issued in fully registered form registered in the name of SunTrust Bank. Capitalized terms used herein and not otherwise defined shall have the same meanings as set forth in Resolution, duly adopted by the Board of County Commissioners of the County (the "Board") on May 15, 2000 (the "Resolution") and the Loan Agreement, dated May 22, 2000 (the "Loan Agreement"), between the County and SunTrust Bank (the "Lender").

Resolution. The Resolution is in full force and effect. None of the proceedings or authority for the issuance, sale, execution and delivery of the Series 2000 Note have been repealed, modified, amended, revoked or rescinded. The County is not in material breach of any of the covenants and obligations in the Resolution and the Loan Agreement, and all payments required to be made into the funds and accounts provided therein have been made to the full extent required.

Security. The Series 2000 Note is secured by the covenant of the County to budget and appropriate in each Fiscal Year in which the Series 2000 Note is outstanding sufficient amounts, from legally available Non-Ad Valorem Revenues, to pay the principal of and interest on the Series 2000 Note during such Fiscal Year.

The Resolution is in full force and effect. None of the proceedings or authority for the issuance and delivery of the Series 2000 Note has been repealed, revoked, rescinded, or limited in any way except as may be set forth in the Official Statement.

Litigation. There is no litigation pending, or to our best knowledge threatened, restraining or enjoining the authorization, sale, issuance or delivery of the Series 2000 Note, the execution and delivery of the Loan Agreement, or the collection of the Non Ad-valorem Revenues, or ability of the County to covenant to budget and appropriate from legally available Non-Ad Valorem Revenues funds to pay the debt service on the Series 2000 Note, or affecting in any way the right or authority of the County to pay the Series 2000 Note and the interest thereon, or in any manner affecting the proceedings and authority for the authorization, sale, execution, issuance or delivery of the Series 2000 Note and the execution and delivery of the Loan Agreement, or affecting directly or indirectly the validity of the Series 2000 Note or the Loan Agreement, or of any provisions made or authorized for their payment, or the corporate existence of the County, or the title of the present officers of the Board, or any of them, to their respective offices.

No Conflict. The issuance of the Series 2000 Note and the entering into and performance by the County of the Loan Agreement will not conflict with or constitute a breach or default by the

County of any existing law, court or administrative regulation, decree, or order or any agreement, indenture, lease or other instrument to which the County is subject or by which the County or its property is or may be bound.

Financial Condition. Since September 30, 1999, no material adverse change has occurred in the financial position or results of operations of the County. The County has not, since September 30, 1999, incurred any liabilities other than in the ordinary course of business.

Elected Officials. The names of the members of the Board and the dates of commencement and expiration of their respective terms of office are as follows:

<u>Member</u>	<u>Term Began</u>	<u>Term Ends</u>
Nick D. Deonas	November, 1996	November, 2000
David C. Howard	November, 1998	November, 2002
J. H. "Pete" Cooper	November, 1996	November, 2000
Floyd L. Vanzant	November, 1998	November, 2002
Marianne Marshall	November, 1996	November, 2000

Nick D. Deonas is the duly elected Chairman of the Board of County Commissioners. His term as Chairman began in November, 1999, and expires in November, 2000.

Marianne Marshall is the duly elected Vice Chairman of the Board of County Commissioners. Her current term as Vice Chairman began in November, 1996 and ends in November, 2000.

J.M. "Chip" Oxley, Jr. is the duly elected Clerk. His/her term of office began in January, 1997, and ends in January, 2001.

Appointed Officers. Walt Gossett is the duly appointed County Coordinator and serves at the pleasure of the Board.

Michael S. Mullin is the duly appointed County Attorney and has served in such capacity on a full-time basis at the pleasure of the Board since April 1, 1999.

Oaths, Bonds, Undertakings. All of the above persons have duly filed their oaths of office, and such of them as are required by law to file bonds or undertakings, have duly filed such bonds or undertakings in the amount and manner required by law.

Signatures. The undersigned Chairman and Clerk duly executed the Series 2000 Note and the Loan Agreement with their manual signatures, and by our execution hereof we duly ratify and confirm said manual signatures.

At the date of the signing of the Series 2000 Note and the Loan Agreement by the undersigned Chairman and Clerk, and on this date, we were and are the duly chosen, qualified and acting officers authorized to execute the Series 2000 Note and the Loan Agreement as indicated by the official titles opposite our signatures hereunder.

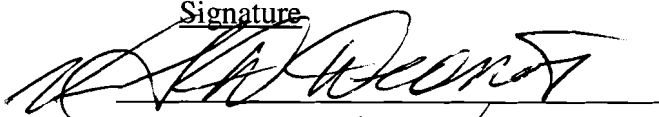

Seal. The seal impressed upon this certificate is the legally adopted, proper, and only official seal of the Board, and said seal has been impressed, imprinted or lithographed upon the Series 2000 Note, which action is hereby ratified.

Interest Rate Ceiling. The "20 Bond Index," as published in *The Bond Buyer* on April 28, 2000 was 5.82%. The interest rate on the Series 2000 Note is a variable rate of interest and will at all times be equal to 65% of the prime rate of SunTrust Banks, Inc., which as of the date of issuance of the Series 2000 Note is 6.175%, based on Prime Rate of 9.5%. This initial rate on the Series 2000 Note is not more than 300 basis points in excess of the "20 Bond Index," and the County will therefore not require an interest rate waiver from the State Board of Administration pursuant to the provisions of Section 215.84, Florida Statutes.

Authentication and Delivery. We hereby authorize and direct Clerk, as Registrar, to authenticate and deliver the Series 2000 Note to or for the account of the purchaser of the Series 2000 Note.

WITNESS our hands and said seal as of May 22, 2000.

(SEAL)

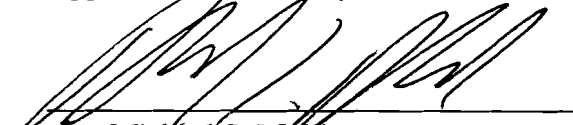
Signature



Official Title

Chairman

Clerk

Approved as to form by the Nassau County Attorney

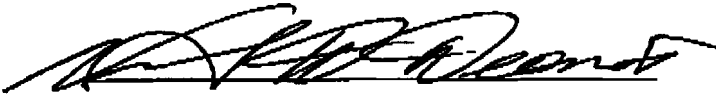

Michael S. Mullin

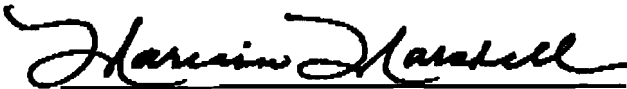
CERTIFICATE AS TO PUBLIC MEETINGS

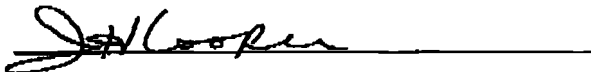
STATE OF FLORIDA)
 ss.
COUNTY OF NASSAU)

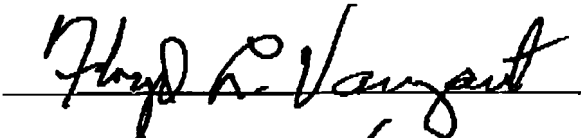
Each of the undersigned members of the Board of County Commissioners (the "Board") of Nassau County, Florida (the "County"), recognizing that SunTrust Bank, as purchaser of the County's \$20,000,000 Revenue Note, Series 2000, to be the date of issuance (the "Note"), will have purchased said Note in reliance upon this Certificate, does hereby certify that he/she, has not met with any other member or members of the Board to discuss or reach any conclusion as to whether the actions taken by the Board with respect to said Note, the security therefor, and the application of the proceeds thereof should or should not be taken by the Board or should or should not be recommended as an action to be taken or not to be taken by the Board, except at public meetings of the Board held after due notice to the public was given in the ordinary manner required by law and custom of the Board. This certificate may be signed in any number of counterparts.

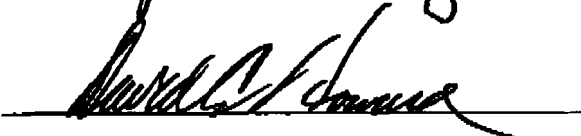
IN WITNESS WHEREOF, we have hereunto set our hands as of May 15, 2000.











HAUSER PLYSANT Trust No. 100-CD-Contributors

My Commission Expires (if not legible on seal:) _____

Commission Number (if not legible on seal:) _____

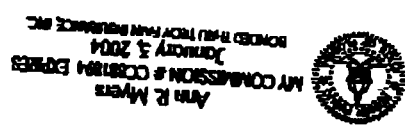
Name of Notary (Typed, Printed or Stamped)

ANN R. MYERS

Signature of Notary

Ann R. Myers

(Notary Seal must be affixed)



_____ produced _____ as identification.

_____ produced a current Florida driver's license as identification.

✓ is/are personally known to me

The foregoing instrument was sworn to and subscribed before me this 22nd day of May 2000, by the above Board members. Each such person did not take an oath and: (notary must check applicable box)

STATE OF FLORIDA)
 ss.)
 COUNTY OF NASSAU)

ACKNOWLEDGEMENT

NASSAU COUNTY, FLORIDA

\$20,000,000

REVENUE NOTE, SERIES 2000

NON ARBITRAGE CERTIFICATE

The undersigned, Chairman of Nassau County, Florida (the "County"), being duly charged, with others, with the responsibility for issuing the County's \$20,000,000 Revenue Note, Series 2000 (the "Series 2000 Note"), HEREBY CERTIFIES, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 1.148-0 through 1.148-11 of the Income Tax Regulations (the "Regulations"), as follows:

1. The Series 2000 Note is being issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 125, Florida Statutes, as amended, and pursuant to the terms of a resolution adopted by the County on May 15, 2000 (the "Resolution") to provide for the deposit of money to various funds and accounts established pursuant to the Resolution for the following purposes:

a. to finance the acquisition and construction of a new jail, a new courthouse, renovation of the existing courthouse, construction of the North End Marine Park and certain road improvements;

b. to pay the costs of issuing the Series 2000 Note (the "Issuance Expenses"); and

Unless otherwise specifically defined, all capitalized terms used in this certificate shall have the meanings as set forth in the Resolution.

2. 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 2000 Note and the use of the proceeds thereof:

a. Sale Proceeds of the Series 2000 Note in the amount of \$20,000,000 (representing \$20,000,00 principal amount of the Series 2000 Note), are expected to be needed and fully expended as follows:

(i) None of said proceeds will be used to pay Issuance Expenses (such Expenses will be paid from other available funds of the County);

(ii) \$20,000,000 of said proceeds will be deposited by the County in an account to be used to pay costs of the Project.

b. The proceed of the Series 2000 Note will be advanced from time to time upon request of the County. On the date of issuance, \$ -0- will be advanced.

c. The total proceeds to be received from the sale of the Series 2000 Note, together with anticipated investment earnings thereon, do not exceed the total of the amounts necessary for the purposes described above.

d. The County does not expect to sell or otherwise dispose of any property comprising a part of the Project prior to the final maturity date of the Series 2000 Note, except such minor parts or portions thereof as may be disposed of due to normal wear, obsolescence, or depreciation in the ordinary course of business. The County reasonably expects that it will own and operate the Project throughout the term of the Series 2000 Note.

e. None of the costs of the Project to be financed with Series 2000 Note proceeds or investment earnings thereon were paid or incurred prior to March 16, 2000, which is the date sixty (60) days prior to May 15, 2000 (the date on which Board of County Commissioners of the County adopted its resolution evidencing its intent to reimburse certain capital expenditures constituting a portion of the Project).

3. At least 85% of the spendable proceeds of the Series 2000 Note will be expended within one year of the date that such Series 2000 Note were issued. In addition, not more than 50% of the proceeds of the Series 2000 Note will be invested in obligations having a substantially guaranteed yield for a period of four years or more.

4. There are no funds or accounts established pursuant to the Resolution or otherwise, other than the Sinking Fund, which are reasonably expected to be used to pay debt service on the Series 2000 Note, or which are pledged as collateral for the Series 2000 Note (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the bondholders that amounts therein will be available to pay debt service on the Series 2000 Note if the County encounters financial difficulties.

5. The Sinking Fund will be used primarily to achieve a proper matching of the revenues used to pay the debt service on the Series 2000 Note within each bond year and amounts deposited thereto will be depleted at least once a year except for any carryover amount which will not in the aggregate exceed the greater of (A) the earnings on such fund for the immediately preceding bond year, or (B) one-twelfth of the debt service on the Series 2000 Note for the immediately preceding bond year.

6. The following represents the expectations of the County with respect to the investment of funds on deposit in the aforementioned funds and accounts:

a.. Proceeds derived from the sale of the Series 2000 Note to be applied to pay Issuance Expenses may be invested at an unrestricted yield for a period not to exceed thirteen months from the date hereof.

b. Investment earnings on obligations acquired with amounts described in subparagraph a. above may be invested at an unrestricted yield for a period of one year from the date of receipt.

c. Amounts described in subparagraphs a. and b. that may not be invested at an unrestricted yield pursuant to such subparagraphs, may be invested at an unrestricted yield to the extent such amounts do not exceed \$100,000 (the "Minor Portion").

d. The proceeds of the Series 2000 Note to be used to pay costs of the Project will be spent within 3 years. Within 6 months the County will incur substantial binding obligations to third parties to expend at least 5% of such amount on the Project and completion of the Project and allocation of the Series 2000 Note proceeds to expenditures will proceed with due diligence. Prior to the third anniversary of the delivery of the Series 2000 Note, such amounts may be invested at an unrestricted yield.

e. All amounts deposited in the Sinking Fund (including accrued interest, if any) may be invested at an unrestricted yield for a period of 13 months from the date of deposit of such amounts to such Fund. Investment earnings on such amounts may be invested at an unrestricted yield for a period of 13 months from the date of receipt of the amount earned.

f. Amounts described in subparagraph e. that may not be invested in an unrestricted yield pursuant to such subparagraph may be invested at an unrestricted yield to the extent such amount does not exceed the Minor Portion reduced by the amounts described in subparagraph c. that are invested at a yield in excess of the yield on the Series 2000 Note.

7. Amounts described in this Paragraph 7 that may not be invested at an unrestricted yield shall be invested at a yield not in excess of the yield on the Series 2000 Note or be invested in tax-exempt obligations under Section 103(a) of the code the interest on which is not an item of preference within the meaning of Section 57(a)(5) of the Code. All investments shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market. If the proposed investments include certificates of deposit or investment agreements, the Corporation and the Trustee shall comply with the provisions contained in Treasury Regulation Section 1.148-5(d)(6). For purposes of this paragraph, "tax-exempt obligations" means (1) obligations the interest on which is excludable from gross income for federal income tax purposes under Code Section 103(a), (2) stock of a tax-exempt mutual fund as defined in Treasury Regulations Section 1.150-1(b), and (3) United States Treasury-State and Local Government Series, Demand Deposit Securities.

8. For purposes of this Certificate, "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. For purposes of computing yield, the purchase price of the Series 2000 Note is the issue price which was determined as described in Paragraph 9 hereof. Any investments acquired with amounts that may not be invested at an unrestricted yield pursuant to Paragraph 7 above shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market, shall be United States Treasury Obligations - State and Local Government Series or shall be tax-exempt obligations under 103(a) of the Code the interest on which is not an item of tax preference within the meaning of Section 57(a)(5) of the Code.

9. The issue price of the Series 2000 Note is the par amount thereof.

10. The yield on the Series 2000 Note is a variable yield.


11. No portion of the proceeds of the Series 2000 Note will be used as a substitute for other moneys of the County which were otherwise to be used to pay the costs of the Project and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Series 2000 Note.

12. There are no other obligations of the County that (i) are being sold at substantially the same time as the Series 2000 Note (within 15 days); (ii) are being sold pursuant to a common plan of financing together with the Series 2000 Note, and (iii) will be paid out of substantially the same source of funds (or will have substantially the same claim to be paid out of substantially the same source of funds) as the Series 2000 Note.

13. The County has covenanted in the Resolution that so long as the Series 2000 Note remain outstanding, the moneys on deposit in any fund or account maintained in connection with the Series 2000 Note, will not be used in any manner that would cause the Series 2000 Note to be "arbitrage bonds" within the meaning of Section 148 of the Code or bonds not described under Section 103(a) of the Code and the applicable regulations promulgated from time to time thereunder. Accordingly, the County shall comply with the guidelines and instructions in the Arbitrage Letter of Instructions from Bond Counsel, dated the date hereof, by which the County shall, among other things, pay or cause to be paid to the United States an amount equal to the sum of (i) the excess of the aggregate amount earned from the investment of "Gross Proceeds" of the Series 2000 Note from the date of issue over the amount that would have been earned if such amounts had been invested at a yield equal to the yield of the bonds, plus (ii) the income or earnings attributable to the excess amount described in (i). See Exhibit B attached hereto.

14. To the best of my knowledge, information and belief, the above expectations are reasonable.

IN WITNESS WHEREOF, I have hereunto set my hand as of May 22, 2000.

By: 
Chairman

By: 
Clerk

EXHIBIT A

May 22, 2000

Chairman and
Board of County Commissioners
Nassau County, Florida

RE: \$20,000,000 Revenue Note, Series 2000

Ladies and Gentlemen:

The undersigned as the purchaser in connection with the purchase of the above-referenced obligations (the "Series 2000 Note"), hereby represents that the Series 2000 Note has been purchased at the price of par and that the proceeds of the Series 2000 Note will be advanced to the Nassau County, Florida, from time to time as requested by the County, without discount or premium.

SunTrust Bank has not reoffered or sold any portion of the Series 2000 Note.

SUNTRUST BANK

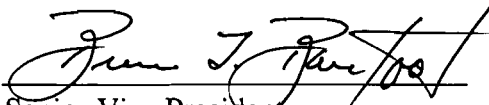
By: 
Senior Vice President

EXHIBIT B

May 22, 2000

Chairman and
Board of County Commissioners
Nassau County, Florida

RE: \$20,000,000 Revenue Note, Series 2000

Ladies and Gentlemen:

This letter instructs you as to certain requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the \$20,000,000 Revenue Note, Series 2000 (the "Bonds"). Capitalized terms used in this letter, not otherwise defined herein, shall have the same meanings as set forth in the County's Non Arbitrage Certificate (the "Non Arbitrage Certificate") executed on the date hereof.

This letter is intended to provide you with general guidelines regarding compliance with Section 148(f) of the Code. Because the requirements of the Code are subject to amplification and clarification, you should seek supplements to this letter from time to time to reflect any additional or different requirements of the Code. In particular, you should be aware that regulations implementing the rebate requirements of Section 148(f) (the "Regulations") have been issued by the United States Treasury Department. These regulations will, by necessity, be subject to continuing interpretation and clarification through future rulings or other announcements of the United States Treasury Department. You should seek further advice of Bond Counsel as to the effect of any such future interpretations before the computation and payment of any arbitrage rebate.

For the purposes of this Letter, (i) any instructions relating to a fund or account shall be deemed to apply only to the portion of such fund or account allocable to the Bonds and (ii) any reference to "the date hereof" shall be deemed to mean May 22, 2000.

Section 1. Tax Covenants. Pursuant to the Resolution, the County has made certain covenants designed to assure that interest with respect to the Bonds is and shall remain excluded from gross income for federal income tax purposes. The County has agreed, and by this Letter does hereby covenant, that it will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds or take or omit to take any actions that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the code and that would cause interest on the Bonds to be included in gross income for federal income tax purposes under the provisions of the Code. You have further agreed by this letter to comply with all other requirements as shall be determine by Bond Counsel (as hereinafter defined) to be necessary or appropriate to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes. To that

end, the County will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds. In particular, the County agrees to cause the proceeds of the Bonds and certain other amounts described in Paragraph 7 of the Non Arbitrage Certificate to be invested in a manner that is consistent with the expectations set forth in such Certificate. In the event that at any time the County is of the opinion that for purposes of this Section 1 it is necessary to restrict or to limit the yield on the investment of any moneys held by the County, the County shall take such action as may be necessary.

Section 2. Definitions. Unless the context otherwise requires, in addition to the use of the terms defined in the Non Arbitrage Certificate, the following capitalized terms have the following meanings:

"Bond Counsel" shall mean Rogers, Towers, Bailey, Jones & Gay, P.A., or other nationally recognized bond counsel.

"Bond Year" shall mean the one year period that ends at the close of business on the day in the calendar year that is selected by the County. The first and last bond year may be short periods.

"Bond Yield" shall mean that discount rate that, when used in computing the present value on the Delivery Date of all unconditionally payable payments of principal, interest, retirement price, paid and to be paid on the Bonds, produces an amount equal to the present value on the Delivery Date, using the same discount rate, of the aggregate Issue Price of the Bonds. Yield is computed under the Economic Accrual Method using any consistently applied compounding interval of not more than one year. Short first and last compounding intervals may be used. Other reasonable, standard financial conventions, such as the 30 days per month/360 days per year convention, may be used in computing yield but must be consistently applied.

"Code" shall mean the Internal Revenue Code of 1986, as amend, and the applicable Treasury Regulations promulgated thereunder.

"Computation Date" shall mean any date selected by the County as a computation date pursuant to Section 1.148-3(e) of the Regulations, and the Final Computation Date.

"Computation Credit Amount" means an amount, as of each Computation Credit Date, equal to \$1,000.

"Computation Credit Date" means the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Bonds that are subject to the rebate requirement of Section 148(f) of the Code, and the Final Computation Date.

"Delivery Date" shall mean May 22, 2000.

"Economic Accrual Method" shall mean the method of computing yield that is based on the compounding of interest at the end of each compounding period (also known as the constant interest method or the actuarial method).

"Final Computation Date" shall mean the date that the last bond that is part of the Bonds is discharged.

"Gross Proceeds" shall mean with respect to the Bonds, any proceeds of the Bonds and any funds (other than the proceeds of the Bonds) that are a part of a reserve or replacement fund for the issue, which amounts include amounts which are (A) actually or constructively received by the County from the Sale of the bonds; (B) treated as transferred proceeds (as defined in Section 1.148-9(b) of the Regulations; (C) treated as Replacement Proceeds under Section 1.148-1(c) of the Regulations; (D) invested in a reasonably required reserve or replacement fund (as defined in Section 1.148-2(f) of the Regulations); (E) pledged by the County as security for payment of debt service on the Bonds; (F) received with respect to obligations acquired with proceeds of the Bonds; (G) used to pay debt service on the Bonds; and (H) otherwise received as a result of investing any proceeds of the Bonds. The determination of whether an amount is included within this definition shall be made without regard to whether the amount is credited to any fund or account established under the Resolution or (except in the case of an amount described in (E) above) whether the amount is subject to the pledge of such instrument.

"Guaranteed Investment Contract" means any Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

"Installment Payment Date" shall mean a Computation Date that is not later than five years after the Delivery Date and subsequent Computation Dates which occur no later than five years after the immediately preceding Installment Payment Date.

"Investment Property" shall mean any security or obligation, any annuity contract or other investment-type property within the meaning of Section 148(b)(2) of the Code. The term Investment Property shall not include any obligation the interest on which is excluded from gross income (Other than a Specified Private Activity Bond) within the meaning of Section 57(a)(5)(C) of the Code) and shall not include an obligation that is a one-day certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series Program described in 31 CFR, part 344.

"Issue Price" shall mean, with respect to each bond comprising the Bonds, the issue price determined in the manner described in Paragraph 9 of the Non Arbitrage Certificate.

"Issue Yield" shall mean the Bond Yield unless the Bonds are described in Section 1.148-4(b)(3) or (4) of the Regulations, in which case, the Issue Yield shall be the Bond Yield as recomputed in accordance with such provisions of the Regulations.

"Nonpurpose Investment" shall mean any Investment Property in which Gross Proceeds are invested, other than any Purpose Investment as defined in Section 148-1(b) of the Regulations. For purposes of this Letter, Investment Property acquired with revenues deposited in the Bond Service fund to be used to pay debt service on the Bonds within 13 months of the date of deposit therein shall be disregarded.

"Nonpurpose Payment" shall, with respect to a Nonpurpose Investment allocated to the Bonds, include the following: (1) the amount actually or constructively paid to acquire the Nonpurpose Investment; (2) the Value of an investment not acquired with Gross Proceeds on the date such investment is allocated to the Bonds, and (3) any payment of Rebatable Arbitrage to the United States Government not later than the date such amount was required to be paid. In addition, the Computation Credit Amount shall be treated as a Nonpurpose Payment with respect to the Bonds on each Computation Credit Date.

"Nonpurpose Receipt" shall mean any receipt or payment with respect to a Nonpurpose Investment allocated to the Bonds. For this purpose, the term "receipt" means any amount actually or constructively received with respect to the investment. In the event a Nonpurpose Investment ceases to be allocated to the Bonds other than by reason of a sale or retirement, such Nonpurpose Investment shall be treated as if sold on the date of such cessation for its Value. In addition, the Value of each Nonpurpose Investment at the close of business on each Computation Date shall be taken into account as a Nonpurpose Receipt as of such date, and each refund of Rebatable Arbitrage pursuant to Section 1.148-3(i) of the regulations shall be treated as a Nonpurpose Receipt.

"Rebatable Arbitrage" shall mean as of any Computation Date the excess of the future value of all Nonpurpose Receipts with respect to the Bonds over the future value of all Nonpurpose Payments with respect to the Bonds. The future value of a Nonpurpose Payment or a Nonpurpose Receipt as of any Computation Date is determined using the Economic Accrual Method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rebate equal to the Issue Yield, using the same compounding interval and financial conventions used in computing that yield.

"Retirement Price" shall mean, with respect to a bond, the amount paid in connection with the retirement or redemption of the bond.

"Value" means value as determined under Section 1.148-5(d) of the Regulations for the investments.

Section 3. Rebate Requirement.

(a) Pursuant to this Letter there shall be established a fund separate from any other fund established and maintained under the Resolution designated the Rebate Fund (the "Rebate Fund"). The Issuer shall administer or cause to be administered the Rebate Fund and invest any amounts held therein in Nonpurpose Investments. Moneys shall not be transferred from the Rebate Fund except as provided in this Section 3.

(b) Unless one or more of the Spending Exceptions to Rebate described in Appendix I to this Letter are applicable to all or a portion of the Gross Proceeds of the Bonds, the Issuer specifically covenants that it will pay or cause to be paid to the United States Government the following amounts:

(i) No later than 60 days after each Installment Payment Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Bonds, equals at least 90 percent of the Rebatable Arbitrage calculated as of each such Installment Payment date; and

(ii) No later than 60 days after the Final Computation Date, an amount which, when added to the future value of all previous rebate payments made with respect to the Bonds, equals 100 percent of the Rebatable Arbitrage as of the Final Computation Date.

(c) Any payment of Rebatable Arbitrage made within the 60-day period described in Section 3(b)(1) and (2) above may be treated as paid on the Installment Payment Date or Final Computation Date to which it relates.

(d) On or before 55 days following each Installment Payment Date and the Final Computation Date, the Issuer shall determine the amount of Rebatable Arbitrage to be paid to the United States Government as required by Section 3(b) of this Letter. Upon making this determination, the Issuer shall take the following actions:

(i) If the amount of Rebatable Arbitrage is calculated to be positive, deposit the required amount of Rebatable Arbitrage to the Rebate Fund;

(ii) If the amount of Rebatable Arbitrage is calculated to be negative and money is being held in the Rebate Fund, transfer from the Rebate Fund the amount on deposit in such fund; and

(iii) On or before 60 days following the Installment Payment Date or Final Computation Date, pay the amount described in Section 3(b) of this Letter to the United States Government at the Internal Revenue Service Center, Philadelphia,

Pennsylvania 19255. Payment shall be accomplished by Form 8038T. A rebate payment is paid when it is filed with the Internal Revenue Service at the above location.

(e) The Issuer shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the money related to the Bonds, including money derived from, pledged to, or to be used to make payments on the Bonds. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Issuer is to be allocated and shall set forth, in the case of each investment security, (a) its purchase price; (b) nominal rate of interest; (c) the amount of accrued interest purchased (included in the purchase price); (d) the par or face amount; (e) maturity date; (f) the amount of original issue discount or premium (if any); (g) the type of Investment Property; (h) the frequency of periodic payments; (i) the period of compounding; (j) the yield to maturity; (k) date of disposition; (l) amount realized on disposition (including accrued interest); and (m) market price data sufficient to establish the fair market value of any Nonpurpose Investment as of any Computation Date, and as of the date such Nonpurpose Investment becomes allocable to, or ceases to be allocable to, Gross Proceeds of the Bonds.

Section 4. Prohibited Investments and Dispositions.

(a) No Investment Property shall be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment Property. No Investment Property shall be sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment Property.

(b) For purposes of subsection 4(a), the fair market value of any Investment Property for which there is an established market shall be determined as provided in subsection 4(c). Except as otherwise provided in subsections 4(e) and (f), any market especially established to provide Investment Property to an issuer of governmental obligations shall not be treated as an established market.

(c) The fair market value of any Investment Property for which there is an established market is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value is generally determined on the date on which a contract to purchase or sell the Investment Property becomes binding (i.e., the trade date rather than the settlement date). If a United States Treasury obligation is acquired directly from or disposed of directly to the United States Treasury, such acquisition or disposition shall be treated as establishing a market for the obligation and as establishing the fair market value of the obligation.

(d) Except to the extent provided in subsections (e) and (f), any Investment Property for which there is not an established market shall be rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(e) In the case of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, the purchase price of such a certificate of deposit is treated as its fair market value on its purchase date if the yield on the certificate of deposit is not less than (1) the yield on reasonably comparable direct obligations of the United States; and (2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if:

(i) The Issuer makes a bona fide solicitation for the Guaranteed Investment Contract with specified material terms and receives at least three qualifying from different reasonably competitive providers of Guaranteed Investment Contracts that have no material financial interest in the Bonds;

(ii) The Issuer purchases the highest-yielding Guaranteed Investment Contract for which a qualifying bid is made (determined net of broker' fees);

(iii) The determination of the terms of the Guaranteed Investment Contract takes into account as a significant factor the Issuer's reasonably expected drawdown schedule for the funds to be invested, exclusive of float funds and reasonably required reserve and replacement funds;

(iv) The collateral security requirements for the Guaranteed Investment Contract are reasonable, based on all the facts and circumstances;

(v) The obligor of the Guaranteed Investment Contract certifies those administrative costs that it is paying (or expects to pay) to third parties in connection with the contract; and

(vi) The yield on the Guaranteed Investment Contract is not less than the yield currently available from the obligor on reasonably comparable investment contracts offered to other persons, if any, from a source of funds other than Gross Proceeds of tax-exempt bonds.

Section 5. Accounting for Gross Proceeds. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross

Proceeds. To that end, the Issuer must adopt a reasonable and consistently applied method of accounting for all Gross Proceeds.

Section 6. Administrative Costs of Investments.

(a) Except as otherwise provided in this Section, an allocation of Gross Proceeds of the Bonds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investment.

(b) In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect costs of the Issuer such as employee salaries and office expenses and costs associated with computing Rebutable Arbitrage are not Qualified Administrative Costs.

(c) Qualified Administrative Costs include all reasonable administrative costs, without regard to the limitation on indirect costs stated in subsection (b) above, incurred by:

(i) A publicly offered regulated investment company (as defined in Section 67(c)(2)(B) of the Code; and

(ii) A commingled fund in which the Issuer and any related parties do not own more than 10 percent of the beneficial interest in the fund.

(d) For a Guaranteed Investment Contract, a broker's commission paid on behalf of either the Issuer or the provider is not a Qualified Administrative Cost to the extent that the commission exceeds 0.05 percent of the amount reasonably expected to be invested per year.

Section 7. Records; Bond Counsel Opinion.

(a) The Issuer shall retain all records with respect to the calculations and instructions required by this Letter for at least six years after the date on which the last of the principal of and interest on the Bonds has been paid, whether upon maturity, redemption or acceleration thereof.

(b) Notwithstanding any provisions of this Letter, if the Issuer shall be provided an opinion of Bond Counsel that any specified action required under this Letter is no longer

required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Bonds, the Issuer may conclusively rely on such opinion in complying with the requirements of this Letter.

Section 8. Survival of Defeasance. Notwithstanding anything in this Letter to the contrary, the obligation of the Issuer to remit the Rebate Requirement to the United States Department of the Treasury and to comply with all other requirements contained in this Letter must survive the defeasance or payment of the Bonds.

Very truly yours,

ROGERS, TOWERS, BAILEY, JONES & GAY, P.A.

Received and acknowledged:

NASSAU COUNTY, FLORIDA

By: 

Clerk

Dated: May 22, 2000

APPENDIX I

Spending Exceptions to Rebate

(a) Generally. All, or certain discrete portions, of an issue are treated as meeting the Rebate Requirement of Section 148(f) of the Code if one or more of the spending exceptions set forth in this Appendix are satisfied. Use of the spending exceptions is not mandatory, except that where an issuer elects to apply the 1-1/2 percent penalty (as described below) the issuer must apply that penalty to the Construction Issue. An issuer may apply the Rebate Requirement to an issue that otherwise satisfies a spending exception. Special definitions relating to the spending exceptions are contained in section (h) of this Appendix.

Where several obligations that otherwise constitute a single issue are used to finance two or more separate governmental purposes, the issue constitutes a "multipurpose issue" and the bonds, as well as their respective proceeds, allocated to each separate purpose may be treated as separate issues for purposes of the spending exceptions. In allocating an issue among its several separate governmental purposes, "common costs" are generally not treated as separate governmental purposes and must be allocated ratably among the discrete separate purposes unless some other allocation method more accurately reflects the extent to which any particular separate discrete purpose enjoys the economic benefit (or bears the economic burden) of the certain common costs (e.g., a newly funded reserve for a parity issue that is partially new money and partially a refunding for savings on prior bonds).

Separate purposes include refunding a separate prior issue, financing a separate Purpose Investment (e.g., a separate loan), financing a Construction Issue, and any clearly discrete governmental purpose reasonably expected to be financed by the issue. In addition, as a general rule, all integrated or functionally related capital projects qualifying for the same initial temporary period (e.g., 3 years) are treated as having a single governmental purpose. Finally, separate purposes may be combined and treated as a single purpose if the proceeds are eligible for the same initial temporary period (e.g., advance refundings of several separate prior issues could be combined, or several non-integrated and functionally unrelated capital projects such as airport runway improvements and a water distribution Project).

The spending exceptions described in this Appendix are applied separately to each separate issue component of a multi-purpose issue unless otherwise specifically noted.

(b) Six-Month Exception. An issue is treated as meeting the Rebate Requirement under this exception if (i) the gross proceeds of the issue are allocated to expenditures for the governmental purposes of the issue within the six-month period beginning on the issue date (the "six-month spending period") and (ii) the Rebate Requirement is met for amounts not required to be spent within the six-month spending period (excluding earnings on a bona fide debt service fund). For purposes of the six-month exception, "gross proceeds" mean Gross Proceeds other than amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the

issue date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period (iv) that represent Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the issue and (v) that represent repayments of grants (as defined in Treasury Regulation Section 1.148-6(d)(4)) financed by the issue. In the case of an issue no bond of which is a private activity bond (other than a qualified 501(c)(3) bond) or a tax or revenue anticipation bond, the six-month spending period is extended for an additional six months for the portion of the proceeds of the issue which are not expended within six-month spending period if such portion does not exceed the lesser of 5 percent of the Proceeds of the issue or \$100,000.

(c) 18-Month Exception. An issue is treated as meeting the Rebate Requirement under this exception if all of the following requirements are satisfied:

(i) the gross proceeds are allocated to expenditures for a governmental purpose of the issue in accordance with the following schedule (the "18-month expenditure schedule") measured from the issue date: (A) at least 15 percent within six months, (B) at least 60 percent within 12 months and (C) 100 percent within 18 months;

(ii) the Rebate Requirement is met for all amounts not required to be spent in accordance with the 18-month expenditure schedule (other than earnings on a bona fide debt service fund); and

(iii) all of the gross proceeds of the issue qualify for the initial temporary period under Treasury Regulation Section 1.148-2(e)(2).

For purposes of the 18-month exception, "gross proceeds" mean Gross Proceeds other than amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the issue date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the 18-month expenditure schedule, (iv) that represent Sale Proceeds or Investment Proceeds derived from payments under any Purpose Investment of the issue and (v) that represent repayments of grants (as defined in Treasury Regulation Section 1.148-6(d)(4)) financed by the issue. In addition, for purposes of determining compliance with the first two spending periods, the investment proceeds included in gross proceeds are based on the issuer's reasonable expectations as of the issue date rather than the actual Investment Proceeds; for the third, final period, actual Investment Proceeds earned to date are used in place of the reasonably expected earnings. An issue does not fail to satisfy the spending requirement for the third spending period above as a result of a Reasonable Retainage if the Reasonable Retainage is allocated to expenditures within 30 months of the issue date. The 18-month exception does not apply to an issue any portion of which is treated as meeting the Rebate Requirement as a result of satisfying the two-year exception.

(d) Two-Year Exception. A Construction Issue is treated as meeting the Rebate Requirement for Available Construction Proceeds under this exception if those proceeds are

allocated to expenditures for governmental purposes of the issue in accordance with the following schedule (the "two-year expenditure schedule"), measured from the issue date:

- (i) at least 10 percent within six months;
- (ii) at least 45 percent within one year;
- (iii) at least 75 percent within 18 months; and
- (iv) 100 percent within two years.

An issue does not fail to satisfy the spending requirement for the fourth spending period above as a result of unspent amounts for Reasonable Retainage if those amounts are allocated to expenditures within three years of the issue date.

(e) **Expenditures for Governmental Purposes of the Issue.** For purposes of the spending exceptions, expenditures for the governmental purposes of an issue include payments for interest, but not principal, on the issue and for principal or interest on another issue of obligations. The preceding sentence does not apply for purposes of the 18-month and two-year exceptions if those payments cause the issue to be a refunding issue.

(f) **DeMinimis Rule.** Any failure to satisfy the final spending requirement of the 18-month exception or the two-year exception is disregarded if the issuer exercises due diligence to complete the project financed and the amount of the failure does not exceed the lesser of three percent of the issue price of the issue or \$250,000.

(g) **Elections Applicable to the Two-Year Exception.** An issuer may make one or more of the following elections with respect to the two-year spending exception:

(1) **Earnings on Reasonably Required Reserve or Replacement Fund.** An issuer may elect on or before the issue date to exclude from Available Construction Proceeds the earnings on any reasonably required reserve or replacement fund. If the election is made, the Rebate Requirement applies to the excluded amounts from the issue date.

(2) **Actual Facts.** For the provisions relating to the two-year exception that apply based on the issuer's reasonable expectations, an issuer may elect on or before the issue date to apply all of those provisions based on actual facts. This election does not apply for purposes of determining whether an issue is a Construction Issue and if the 1-1/2 percent penalty election is made.

(3) **Separate Issue.** For purposes of the two-year exception, if any proceeds of any issue are to be used for Construction Expenditures, the issuer may elect on or before the issue date to treat the portion of the issue that is not a refunding issue as two, and only two, separate issues, if

(i) one of the separate issues is a Construction Issue, (ii) the issuer reasonably expects, as of the issue date, that such Construction Issue will finance all of the Construction Expenditures to be financed by the issue, and (iii) the issuer makes an election to apportion the issue in which it identifies the amount of the issue price of the issue allocable to the Construction Issue.

(4) **Penalty in Lieu of Rebate.** An issuer of a Construction Issue may irrevocably elect on or before the issue date to pay a penalty (the "1-1/2 percent penalty") to the United States in lieu of the obligation to pay the rebate amount on Available Construction Proceeds upon failure to satisfy the spending requirements of the two-year expenditure schedule. The 1-1/2 percent penalty is calculated separately for each spending period, including each semiannual period after the end of the fourth spending period, and is equal to 1.5 percent times the underexpended proceeds as of the end of the spending period. For each spending period, underexpended proceeds equal the amount of Available Construction Proceeds required to be spent by the end of the spending period, less the amount actually allocated to expenditures for the governmental purposes of the issue by that date. The 1-1/2 percent penalty must be paid to the United States no later than 90 days after the end of the spending period to which it relates. The 1-1/2 percent penalty continues to apply at the end of each spending period and each semiannual period thereafter until the earliest of the following: (i) the termination of the penalty under Treasury Regulation Section 1.148-7(1), (ii) the expenditure of all of the Available Construction Proceeds, or (iii) the last stated final maturity date of bonds that are part of the issue and any bonds that refund those bonds. If an issue meets the exception for Reasonable Retainage except that all retainage is not spent within three years of the issue date, the issuer must pay the 1-1/2 percent penalty to the United States for any Reasonable Retainage that was not so spent as of the close of the three-year period and each later spending period.

(h) **Special Definitions Relating to Spending Expenditures.**

(1) **Available Construction Proceeds** shall mean, with respect to an issue, the amount equal to the sum of the issue price of the issue, earnings on such issue price, earnings on amounts in any reasonably required reserve or replacement fund not funded from the issue and earnings on all of the foregoing earnings, less the amount of such issue price in any reasonably required reserve or replacement fund and less the issuance costs financed by the issue. For purposes of this definition, earnings include earnings on any tax-exempt bond. For the first three spending periods of the two-year expenditure schedule described in Treasury Regulation Section 1.148-7(e), Available Construction Proceeds include the amount of future earnings that the issuer reasonably expected as of the issue date. For the fourth spending period described in Treasury Regulation Section 1.148-7(e), Available Construction Proceeds include the actual earnings received. Earnings on any reasonably required reserve or replacement fund are Available Construction Proceeds only to the extent that those earnings accrue before the earlier of (i) the date construction is substantially completed, or (ii) the date that is two years after the issue date. For this purpose, construction may be treated as substantially completed when the issuer abandons construction or when at least 90 percent of the total costs of the construction that the issuer reasonably expects as of such date will be financed with proceeds of the issue have been allocated to expenditures. If only a portion of the

construction is abandoned, the date of substantial completion is the date the non-abandoned portion of the construction is substantially completed.

(2) Construction Expenditures shall mean capital expenditures (as defined in Treasury Regulation Section 1.150-1) that are allocable to the cost of Real Property or Constructed Personal Property. Construction Expenditures do not include expenditures for acquisitions of interest in land or other existing Real Property.

(3) Construction Issue shall mean any issue that is not a refunding issue if (i) the issuer reasonably expects, as of the issue date, that at least 75 percent of the Available Construction Proceeds of the issue will be allocated to Construction Expenditures for property owned by a governmental unit or a 501(c)(3) organization, and (ii) any private activity bonds that are part of the issue are qualified 501(c)(3) bonds or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

(4) Constructed Personal Property shall mean Tangible Personal Property or Specially Developed Computer Software if (i) a substantial portion of the property is completed more than six months after the earlier of the date construction or rehabilitation commenced and the date the issuer entered into an acquisition contract; (ii) based on the reasonable expectations of the issuer, if any, or representations of the person constructing the property, with the exercise of due diligence, completion of construction or rehabilitation (and delivery to the issuer) could not have occurred within that six-month period; and (iii) if the issuer itself builds or rehabilitates the property, not more than 75 percent of the capitalizable cost is attributable to property acquired by the issuer.

(5) Real Property shall mean land and improvements to land, such as buildings or other inherently permanent structures, including interests in real property. For example, Real Property includes wiring in a building, plumbing Projects, central heating or air-conditioning Projects, pipes or ducts, elevators, escalators installed in a building, paved parking areas, roads, wharves and docks, bridges, and sewage lines.

(6) Reasonable Retainage shall mean an amount, not to exceed five percent of (i) Available Construction Proceeds as of the end of the two-year expenditure schedule (in the case of the two-year exception to the Rebate Requirement), or (ii) Net Sale Proceeds as of the end of the 18-month expenditure schedule (in the case of the 18-month exception to the Rebate Requirement), that is retained for reasonable business purposes relating to the property financed with the issue. For example, a Reasonable Retainage may include a retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the issuer reasonably determines that a dispute exists regarding completion or payment.

(7) Specially Developed Computer Software shall mean any programs or routines used to cause a computer to perform a desired task or set of tasks, and the documentation required to describe and maintain those programs, provided that the software is specially developed and is functionally related and subordinate to Real Property and other Constructed Personal Property.

(8) Tangible Personal Property shall mean any tangible personal other than Real Property, including interests in tangible personal property. For example, Tangible Personal Property includes machinery that is not a structural component of a building, subway cars, fire trucks, automobiles, office equipment, testing equipment, and furnishings.

(i) Special Rules Relating to Refundings.

(1) Transferred Proceeds. In the event that a prior issue that might otherwise qualify for one of the spending exceptions is refunded, then for purposes of applying the spending exceptions to the prior issue, proceeds of the prior issue that become transferred proceeds of the refunding issue continue to be treated as unspent proceeds of the prior issue; if such unspent proceeds satisfy the requirements of one of the spending exceptions then they are not subject to rebate either as proceeds of the prior issue or of the refunding issue. Generally, the only spending exception applicable to refunding issues is the six-month exception. In applying the six-month exception to a refunding of a prior issue, only transferred proceeds of the refunding issue from a taxable prior issue and other amounts excluded from the definition of gross proceeds of the prior issue under the special definition of gross proceeds contained in section (b) above are treated as gross proceeds of the refunding issue and so are subject to the six-month exception applicable to the refunding issue.

(2) Series of Refundings. In the event that an issuer undertakes a series of refundings for a principal purpose of exploiting the difference between taxable and tax-exempt interest rates, the six-month spending exception is measured for all issues in the series commencing on the date the first bond of the series is issued.

(j) Elections Applicable to Pool Bonds. An issuer of a pooled financing issue can elect to apply the spending exceptions separately to each loan from the date such loan is made or, if earlier, on the date on year after the date the pool bonds are issued. In the event this election is made, no spending exceptions are available and the normal Rebate Requirement applies to Gross Proceeds prior to the date on which the applicable spending periods begin. In the event this election is made, the issuer may also elect to make all elections applicable to the two-year spending exception, described in section (g) above, separately for each loan; any such elections that must ordinarily be made prior to the issue date must then be made by the issuer before the earlier of the date the loan is made or one year after the issue date.



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

Nick Deonas
David C. Howard
Pete Cooper
Floyd L. Vanzant
Marianne Marshall

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

May 22, 2000

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

Nassau County, Florida

MICHAEL S. MULLIN
County Attorney

SunTrust Bank
Jacksonville, Florida

WALTER D. GOSSETT
County Coordinator

Rogers, Towers, Bailey, Jones & Gay, P.A.
1301 Riverplace Boulevard, Suite 1500
Jacksonville, Florida 32207

Re: \$20,000,000 Nassau County, Florida
Revenue Note, Series 2000

I have acted as County Attorney for Nassau County, Florida (the "County") in connection with the authorization of a Loan Agreement (the "Loan Agreement") between SunTrust Bank (the "Lender") and the County and the delivery by the County of its \$20,000,000 Revenue Note, Series 2000 (the "Series 2000 Note"), payable to the Lender, dated May 22, 2000, and bearing interest at a variable rate of interest, pursuant to a Resolution duly adopted by the "Board of County Commissioners" (the "Board") the County on May 15, 2000 (the "Resolution"). I have examined all proceedings of the Board in connection with the authorization and the delivery of the Loan Agreement and the Series 2000 Note by the County. Based thereon, I am of the opinion that:

- (1) The County is a political subdivision of the State of Florida (the "State") and had and has good right and lawful authority under the Constitution and laws of the State to adopt the Resolution, to authorize and issue the Series 2000 Note, and to enter into and perform its obligations under the Loan Agreement.
- (2) The Resolution has been duly adopted by the Board, is in full force and effect, and the Resolution, the Loan Agreement and the Series 2000 Note are valid and binding obligations of the County enforceable in accordance with their terms as part of its contract with the holders of the Series 2000 Note, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and to the exercise of judicial discretion.
- (3) As of the date hereof, the County has duly performed all obligations to be performed by it pursuant to the Resolution and the Loan Agreement.
- (4) To the best of my knowledge, the County is not in any material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any

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loan agreement, indenture, bond, note, resolution, agreement or other material instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, including the Resolution, which would have a material, adverse impact on the County's ability to perform its obligations under the Resolution and the Loan Agreement and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default on the part of the County or the other parties thereto under any such instruments.

(5) To the best of my knowledge, adoption of the Resolution and the execution and delivery of the Series 2000 Note and the Loan Agreement, and compliance with the provisions on the County's part contained therein, will not conflict with or constitute a breach of or default under any judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County or under the terms of any such instrument, except as expressly provided in the Resolution, the Loan Agreement and the Series 2000 Note.

(6) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, pending or, to the best of my knowledge, threatened against or affecting the County, nor to the best of my knowledge is there any basis for such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would have a materially adverse effect upon the transactions contemplated by the Resolution and the Loan Agreement or the validity of the Series 2000 Note, the Loan Agreement and the Resolution.

(7) All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations under the Series 2000 Note, the Resolution and the Loan Agreement have been obtained and are in full force and effect.

Sincerely,



MICHAEL S. MULLIN
County Attorney

ROGERS, TOWERS, BAILEY, JONES & GAY
A PROFESSIONAL ASSOCIATION

CHARLES D. TOWERS, JR.
C. WILLIAM REINEY
ALLAN T. GEIGER
G. KENNETH NORRIE
DOUGLAS A. WARD
WILLIAM E. SCHEU
PAUL P. SANFORD
IRVIN M. WEINSTEIN
ROBERT T. HYDE, JR.
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BETSY C. COX
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SPECIAL COUNSEL:
JAMES M. McLEAN
FRED M. RINGEL
DAVID M. FOSTER
HOWARD I. KORMAN
ALFRED J. POMERANZ

PLEASE REPLY TO:
JACKSONVILLE

May 22, 2000

SunTrust Bank
200 West Forsyth Street
2nd Floor
Jacksonville, Florida

RE: \$20,000,000 Nassau County, Florida Revenue Note, Series 2000

Ladies and Gentlemen:

We have acted as bond counsel for SunTrust Bank (the "Lender") in connection with the issuance by Nassau County, Florida (the "County") of its \$20,000,000 Revenue Note, Series 2000 (hereinafter called the "Series 2000 Note"), payable to the Lender and the execution and delivery of a Loan Agreement, dated May 22, 2000 (the "Loan Agreement") between the County and the Lender.

The Series 2000 Note is being issued pursuant to the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, and other applicable provisions of law, and a Resolution duly adopted by the Board of County Commissioners of the County (the "Board") on May 15, 2000 (the "Resolution"), to provide for financing for the Project. We have also examined the executed Series 2000 Note and Loan Agreement. Capitalized undefined terms used herein shall have the meanings set forth in the Resolution and the Loan Agreement.

As to questions of fact material to our opinion, we have relied upon representations of the County contained in the Resolution and the Loan Agreement and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals, and the conformity to originals of documents submitted as copies.

ROGERS, TOWERS, BAILEY, JONES & GAY

SunTrust Bank
May 22, 2000
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We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Series 2000 Note. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2000 Note. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2000 Note. In addition we have not been engaged to and, therefore, express no opinion as to compliance by the County or the purchaser with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2000 Note.

The Series 2000 Note and the interest thereon are limited, special obligations of the County payable from the Non-Ad Valorem Revenues budgeted and appropriated in any Fiscal Year by the County for the payment of the Series 2000 Note and any proceeds of bonds issued by the County for the purpose of redeeming or paying the Series 2000 Note (the "Pledged Funds"), all in the manner described in the Resolution and the Loan Agreement.

Pursuant to the terms, conditions and limitations contained in the Resolution, the County has reserved the right to issue obligations in the future which shall have a lien on specific Non Ad Valorem Revenues superior to the Series 2000 Note.

The Series 2000 Note does not constitute a general obligation or indebtedness of the County within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the County or taxation in any form of an real or personal property for the payment of the principal of or interest on the Series 2000 Note.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon this examination, we are of the opinion that, under existing law:

1. The Resolution and the Loan Agreement are valid and binding obligations of the County enforceable upon the County in accordance with its terms.
2. The Series 2000 Note has been duly authorized, executed and delivered by the County, and is a valid and binding special obligation of the County enforceable in accordance with its terms, payable solely from the sources provided therefor in the Resolution.
3. The interest on the Series 2000 Note (i) is excluded from gross income for federal income tax purposes, and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax; however, it should be noted that, with respect to corporations (as defined for federal

SunTrust Bank
May 22, 2000
Page 3

income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. For purposes of the opinions expressed in the preceding sentence we have assumed compliance by the County with various covenants contained in the Resolution and the tax certificate relating to certain arbitrage rebate and other tax requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent necessary to preserve the exclusion of interest on the Series 2000 Note from gross income for federal income tax purposes. Failure of the County to comply with such requirements could cause interest on the Series 2000 Note to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2000 Note. Other provisions of the Code may give rise to adverse federal income tax consequences to particular owners of the Series 2000 Note. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal tax consequences that may arise due to ownership of the Series 2000 Note other than expressed in paragraph 5 below.

4. The Series 2000 Note is exempt from intangible taxes imposed pursuant to Chapter 199, Florida Statutes.

It is to be understood that the rights of the owner of the Series 2000 Note and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

Our opinions expressed herein are predicated upon present law, facts and circumstances; and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

Rogers, Towers, Bailey, Jones & Gay, P.A.

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code Section 149(e)

See separate instructions.

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

OMB No. 1545-0720

Part I Reporting Authority If Amended Return, check here

1 Issuer's name Nassau County, Florida	2 Issuer's employer identification number 59 1863042	
3 Number and street (or P.O. box if mail is not delivered to street address) 191 Nassau Place	Room/suite	4 Report number G2000-1
5 City, town, or post office, state, and ZIP code Yulee, Florida 32097	6 Date of Issue May 22, 2000	
7 Name of issue Revenue Note, Series 2000	8 CUSIP number None	
9 Name and title of officer or legal representative whom the IRS may call for more information J. M. "Chip" Oxley, Jr., Clerk of Courts	10 Telephone number of officer or legal representative (904) 321-5722	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11 <input type="checkbox"/> Education	11	
12 <input type="checkbox"/> Health and hospital	12	
13 <input type="checkbox"/> Transportation	13	
14 <input type="checkbox"/> Public safety	14	
15 <input type="checkbox"/> Environment (including sewage bonds)	15	
16 <input type="checkbox"/> Housing	16	
17 <input type="checkbox"/> Utilities	17	
18 <input checked="" type="checkbox"/> Other. Describe jail, courthouse and marine park	18	\$20,000,000.0
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input checked="" type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

Part III Description of Obligations (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	5/21/01	\$20,000,000	\$20,000,000	1 years	VR %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	0
23 Issue price of entire issue (enter amount from line 21, column (b))	23	20,000,000
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	0
25 Proceeds used for credit enhancement	25	0
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0
27 Proceeds used to currently refund prior issues	27	0
28 Proceeds used to advance refund prior issues	28	0
29 Total (add lines 24 through 28)	29	0
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	20,000,000

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

31 Enter the remaining weighted average maturity of the bonds to be currently refunded _____ years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded _____ years

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

34 Enter the date(s) the refunded bonds were issued _____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) 35 _____

36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions) 36a _____

b Enter the final maturity date of the guaranteed investment contract. _____

37 Pooled financing: a Proceeds of this issue that are to be used to make loans to other governmental units 37a _____

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter name of the issuer _____ and the date of the issue _____

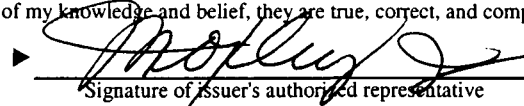
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box

40 If the issuer has identified a hedge, check box

Please Sign Here

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


 Signature of issuer's authorized representative 5/22/00 Date J. M. "Chip" Oxley, Jr., Clerk Type or print name and title

ROGERS, TOWERS, BAILEY, JONES & GAY

A PROFESSIONAL ASSOCIATION

ATTORNEYS AT LAW
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SUITE 1500
JACKSONVILLE, FL 32207-9020

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WRITER'S INTERNET ADDRESS:
lweinstein@rtlaw.com

WRITER'S DIRECT DIAL NUMBER:
(904) 346-5523

May 22, 2000

TALLAHASSEE OFFICE
106 SOUTH MONROE STREET
P.O. BOX 1872
TALLAHASSEE, FLORIDA 32302-1872
(850) 222-7200
FAX (850) 222-7204

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(904) 824-0879
FAX (904) 825-4070

SPECIAL COUNSEL:
JAMES M. McLEAN
FRED M. RINGEL
DAVID M. FOSTER
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ALFRED J. POMERANZ

PLEASE REPLY TO:
JACKSONVILLE

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CERTIFIED MAIL RETURN RECEIPT REQUESTED

Internal Revenue Service Center
Ogden, Utah 84201

RE: \$20,000,000 Nassau County, Florida
Revenue Note, Series 2000

Ladies and Gentlemen:

Enclosed for filing is one fully executed Form 8038-G, Information Return for Tax-Exempt Government Obligations, pertaining to the above-referenced issue. The County is filing the enclosed Form 8038-G in accordance with the provisions of Section 149(a) of the Internal Revenue Code of 1986, as amended.

If you have any questions, please call me.

Sincerely,

Irvin M. Weinstein

IMW/dep
Enclosure

7 051 906 797

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to Internal Revenue Service Center	
Street & Number	
Post Office, State, & ZIP Code Ogden, Utah 84201	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	

STATE OF FLORIDA
DIVISION OF BOND FINANCE
LOCAL BOND MONITORING SECTION

28.(a)

This form represents an update and compilation of the BF2003, BF2004-A and BF2004-B forms.

- * Bond Information forms (BF2003) are required to be completed by local governments pursuant to Chapter 19A-1.003, Florida Administrative Code (F.A.C.).
- * Bond Disclosure forms BF2004-A (Competitive Sale) or BF2004-B (Negotiated Sale) are required to be filed with the Division within 120 days of the delivery of the issue pursuant to Sections 218.38(1)(b)1 and 218.38(1)(c)1, Florida Statutes (F.S.), respectively.
- * Final Official Statements, if prepared, are required to be submitted pursuant to Section 218.38(1), F.S.
- * Please complete all items applicable to the issuer as provided by the Florida Statutes.
- * PURSUANT TO SECTION 218.369, F.S., ISSUERS OF BOND ANTICIPATION NOTES ARE EXEMPT FROM THESE FILING REQUIREMENTS.

BF2003
BOND INFORMATION FORM

PART I. ISSUER INFORMATION

1. NAME OF GOVERNMENTAL UNIT: Nassau County, Florida
2. MAILING ADDRESS OF GOVERNMENTAL UNIT OR ITS MANAGER: 191 Nassau Place, Yulee, Florida 32097
3. COUNTY(IES) IN WHICH GOVERNMENTAL UNIT HAS JURISDICTION: Nassau
4. TYPE OF ISSUER: COUNTY CITY AUTHORITY INDEPENDENT SPECIAL DISTRICT
 DEPENDENT SPECIAL DISTRICT SPECIFY OTHER _____

PART II. BOND ISSUE INFORMATION

1. NAME OF BOND ISSUE: Revenue Note, Series 2000
2. AMOUNT ISSUED: 20,000,000
3. AMOUNT AUTHORIZED: 20,000,000
4. DATED DATE: May 22, 2000
5. SALE DATE: May 15, 2000
6. DELIVERY DATE: May 22, 2000
7. LEGAL AUTHORITY FOR ISSUANCE: FLORIDA STATUTES Chapters 125
SPECIAL ACTS _____
OTHER _____
8. TYPE OF ISSUE: GENERAL OBLIGATION SPECIAL ASSESSMENT SPECIAL OBLIGATION
 REVENUE COP (CERTIFICATE OF PARTICIPATION) LEASE-PURCHASE BANK LOAN/LINE OF CREDIT
9. A. IS THIS A PRIVATE ACTIVITY BOND (PAB)? YES NO
B. 1. IF YES, DID THIS ISSUE RECEIVE A PAB ALLOCATION? YES NO
2. IF YES, AMOUNT OF ALLOCATION: \$ _____
10. SPECIFIC REVENUE(S) PLEDGED:
(1) PRIMARY Covenant to budget and appropriate
(2) SECONDARY _____
(3) OTHER(S) _____

11. A. PURPOSE(S) OF THE ISSUE:

- (1) PRIMARY Finance construction of jail, courthouse, marine park and road improvements
- (2) SECONDARY _____
- (3) OTHER(S) _____

B. IF PURPOSE IS REFUNDING, COMPLETE THE FOLLOWING:

- (1) FOR EACH ISSUE REFUNDED LIST: NAME OF ISSUE, DATED DATE, ORIGINAL PAR VALUE (PRINCIPAL AMOUNT) OF ISSUE, AND AMOUNT OF PAR VALUE (PRINCIPAL AMOUNT) REFUNDED.

(2) REFUNDED DEBT HAS BEEN: _____ RETIRED OR _____ DEFEASED

(3) A. DID THE REFUNDING ISSUE CONTAIN NEW MONEY? _____ YES _____ NO

B. IF YES, APPROXIMATELY WHAT PERCENTAGE OF PROCEEDS IS NEW MONEY? _____%

12. TYPE OF SALE: _____ COMPETITIVE BID _____ NEGOTIATED ~~XXXXXXXXXX~~ PRIVATE PLACEMENT

13. BASIS OF INTEREST RATE CALCULATION, I.E., INTEREST RATE USED TO STRUCTURE THE BOND ISSUE:

NET INTEREST COST RATE (NIC) _____% TRUE INTEREST COST RATE (TIC) _____%
 CANADIAN INTEREST COST RATE (CIC) _____% ARBITRAGE YIELD (ARBI) _____%
 SPECIFY OTHER: Not computed

14. INSURANCE/ENHANCEMENTS: _____ AGIC _____ AMBAC _____ CGIC _____ CLIC _____ FGIC _____ FSA
 _____ HUD _____ MBIA _____ NGM _____ LOC (LETTER OF CREDIT) SPECIFY OTHER _____
 NOT INSURED

15. RATING(S): _____ MOODY'S _____ S&P _____ FITCH _____ DUFF & PHELPS SPECIFY OTHER _____
 NOT RATED

16. DEBT SERVICE SCHEDULE: ATTACH COMPLETE COPY OF SCHEDULE PROVIDING THE FOLLOWING INFORMATION:

- MATURITY DATES (MO/DAY/YR)
- COUPON/INTEREST RATES
- ANNUAL INTEREST PAYMENTS
- PRINCIPAL (PAR VALUE) PAYMENTS
- MANDATORY TERM AMORTIZATION

17. LIST OR ATTACH OPTIONAL REDEMPTION PROVISIONS: Redeemable in whole or in part at any time without attached penalty.

18. PROVIDE THE NAME AND ADDRESS OF THE SENIOR MANAGING UNDERWRITER OR SOLE PURCHASER.
SunTrust Bank

(4) .COMPANY NAME _____
FEE PAID: \$ _____ SERVICE PROVIDED or FUNCTION SERVED: _____

24. ANY OTHER FEES PAID BY THE UNIT OF LOCAL GOVERNMENT WITH RESPECT TO THE BOND ISSUE, INCLUDING ANY FEE PAID TO ATTORNEYS OR FINANCIAL CONSULTANTS:
 NO FEES PAID BY ISSUER

(1) COMPANY NAME Rogers, Towers, Bailey, Jones & Gay, P.A.
FEE PAID: \$ 7,000 SERVICE PROVIDED or FUNCTION SERVED: Bank Counsel to purchaser


(2) COMPANY NAME William R. Hough & Co.
FEE PAID: \$ 6,000 (including expenses) SERVICE PROVIDED or FUNCTION SERVED: Financial advisor

(3) COMPANY NAME _____
FEE PAID: \$ _____ SERVICE PROVIDED or FUNCTION SERVED: _____

(4) COMPANY NAME _____
FEE PAID: \$ _____ SERVICE PROVIDED or FUNCTION SERVED: _____

PLEASE PROVIDE THE SIGNATURE OF EITHER THE CHIEF EXECUTIVE OFFICER OF THE GOVERNING BODY OF THE UNIT OF LOCAL GOVERNMENT OR THE GOVERNMENTAL OFFICER PRIMARILY RESPONSIBLE FOR COORDINATING THE ISSUANCE OF THE BONDS:

NAME (Typed/Printed): J.M. "Chip" Oxley, Jr.
TITLE: Clerk

SIGNATURE: 
DATE: May 22, 2000

BF2004-B

ITEMS 25 AND 26 MUST BE COMPLETED FOR ALL BONDS SOLD BY NEGOTIATED SALE

25. MANAGEMENT FEE CHARGED BY UNDERWRITER: \$ _____ PER THOUSAND PAR VALUE.
OR
PRIVATE PLACEMENT FEE: \$ _____

NO MANAGEMENT FEE OR PRIVATE PLACEMENT FEE

26. UNDERWRITER'S EXPECTED GROSS SPREAD: \$ _____ PER THOUSAND PAR VALUE.

NO GROSS SPREAD

PART IV. RETURN THIS FORM AND THE FINAL OFFICIAL STATEMENT, IF ONE WAS PREPARED, TO:

Courier Deliveries: Division of Bond Finance
State Board of Administration
1801 Hermitage Blvd., Suite 200
Tallahassee, FL 32308

Mailing Address: Division of Bond Finance
State Board of Administration
P.O. Drawer 13300
Tallahassee, FL 32317-3300

Phone: 904/488-4782
FAX: 904/413-1315

Attachment to BF2003/2004
for
Nassau County, Florida

Item 16. Debt Service Schedule

Maturity Date: 5/21/01

Interest Rate: 65% of SunTrust Banks, Inc. prime rate

Principal due at maturity drawdown note

ROGERS, TOWERS, BAILEY, JONES & GAY
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iweinstein@rtlaw.com

WRITER'S DIRECT DIAL NUMBER:
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May 22, 2000

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SPECIAL COUNSEL:
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DAVID M. FOSTER
HOWARD I. KORMAN
ALFRED J. POMERANZ

PLEASE REPLY TO:
JACKSONVILLE

Division of Bond Finance
State Board of Administration
P.O. Box 13300
Tallahassee, Florida 32317-3300
ATTN: Ms. Sharon Williams

Re: \$20,000,000 Nassau County, Florida
Revenue Note, Series 2000

Ladies and Gentlemen:

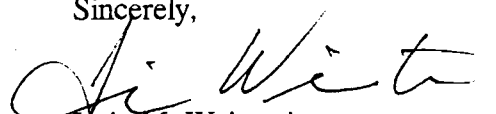
Pursuant to Section 218.38, Florida Statutes, in connection with the Note mentioned above, we are hereby providing you with the following:

1. Form BF2003 and 2004B; and
2. Copy of IRS Form 8038G.

The Note was issued on May 22, 2000, and delivered to SunTrust Bank, as purchaser. There was no official statement or other offering document.

Please acknowledge receipt of this Notice on the attached copy hereof and return it to the undersigned in the enclosed self-addressed stamped envelope.

Sincerely,


Irvin M. Weinstein

IMW/dep
Enclosures

ROGERS, TOWERS, BAILEY, JONES & GAY
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May 10, 2000

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HOWARD I. KORMAN
ALFRED J. POMERANZ

PLEASE REPLY TO:
JACKSONVILLE

DIVISION OF BOND FINANCE
MAY 12 PM 4:13

Division of Bond Finance
1801 Hermitage Boulevard
Hermitage Centre, Suite 200
Tallahassee, Florida 32308

Ladies and Gentlemen:

You are hereby provided with advance notice of the impending sale by Nassau County, Florida of its not to exceed \$20,000,000 Revenue Note, Series 2000. The sale is expected to take place on May 15, 2000. An Official Statement will not be prepared for this transaction. The Note is being purchased by SunTrust Bank.

Please return the enclosed copy of this letter to the undersigned bearing your stamped receipt.

Sincerely yours,



Irvin M. Weinstein

IMW/dep
Enclosure